TRANSCRIPT OF RECORD.

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1[redacted] 1919

No. 481. 1656

THE UNITED STATES OF AMERICA, APPELLANT,

vs.

UNITED STATES STEEL CORPORATION ET AL.

APPEAL FROM THE DISTRICT COURT OF THE UNITED STATES FOR THE DISTRICT OF NEW JERSEY.

VOLUME 6.

GOVERNMENT EXHIBITS.

FILED MAY 12, 1916.

UNITED STATES

vs.

UNITED STATES STEEL CORPORATION.

GOVERNMENT EXHIBITS, VOL. VI.

			PAGE
Minutes of meetings of:			
ILLINOIS STEEL COMPANY,			
Meeting of Executive Committee,	April 12,	1894....	1827
	June 5,	"	1828
	September 6,	"	1829
	February 11,	1895....	1830
LAKE SUPERIOR CONSOLIDATED IRON MINES,			
Meeting of Directors,	July 12,	1900....	1832
CARNEGIE STEEL COMPANY,			
Meeting of Directors,	April 2,	1900....	1866
	April 9,	"	1867
	April 17,	"	1869
	April 23,	"	1870
	April 30,	"	1871
	May 8,	"	1873
	June 6,	"	1874
	June 12,	"	1874
	June 25,	"	1877
	July 3,	"	1879
	July 9,	"	1882
	July 16,	"	1886
	July 31,	"	1888
	August 6,	"	1891
	September 25,	"	1892
	October 4,	"	1893
	October 11,	"	1895
	October 22,	"	1896

			PAGE
	November 6,	1900....	1899
	November 13,	"	1902
	December 4,	"	1902
	December 11,	"	1963
	December 31,	"	1963
	January 8,	1901....	1968
	January 15,	"	1970
	February 4,	"	1971
	February 25,	"	1978
	March 25,	"	1979
United States Steel Corporation, Meeting of Traffic Association,	January 11,	1909....	1920
	March 17,	"	1922
	April 21,	"	1924
	May 21,	"	1930
	June 15,	"	1933
	July 21,	"	1934
	August 23,	"	1935
	October 20,	"	1936
	January 20,	1910....	1937
	February 16,	"	1941
	April 20,	"	1941
	June 17,	"	1943
	July 20,	"	1944
	September 16,	"	1945
	February 15,	1911....	1948
	March 15,	"	1949
	April 19,	"	1950
	May 17,	"	1954
	June 21,	"	1956
	August 16,	"	1958
	September 20,	"	1959
	October 18,	"	1960
	November 15,	"	1961
Meeting of Finance Committee,	December 10,	1902....	1963
	December 11,	"	1964
	December 13,	"	1965

			PAGE
	January 7,	1903....	1965
	January 27,	"	1967
	March 3,	"	1967
	March 10,	"	1968
	May 12,	"	1968
	December 22,	"	1969
	October 4,	1904....	1969
	January 17,	1905....	1970
	July 11,	"	1970
	December 29,	"	1971
	March 20,	1906....	1971
	March 27,	"	1972
	October 22,	1907....	1973
	December 24,	"	1973
	May 21,	1908....	1974
	June 3,	"	1974
	June 9,	"	1975
	September 29,	"	1975
	February 17,	1909....	1976
	February 19,	"	1976
	September 28,	"	1977
	February 8,	1910....	1978
OLIVER MINING COMPANY,			
Meeting of Directors,	April 9,	1895....	1979
Meeting of Stockholders,	October 11,	"	1980
Meeting of Directors,	January 19,	1897....	1981
MINNESOTA IRON COMPANY,			
Meeting of Stockholders,	June 7,	1897....	1995
	June 6,	1898....	1996
	June 12,	1899....	1996
	June 11,	1900....	1997
	June 7,	1901....	1998
Meeting of Executive Committee,	December 14,	1894....	2000
	November 19,	1896....	2002
	April 30,	1897....	2003
UNITED STATES STEEL CORPORATION,			
Meeting of Directors,	April 6,	1901....	2006a

The following Minutes of the Executive Committee of the Illinois Steel Company (Record, page 1827 to page 1831), are offered in evidence by the Petitioner under the foregoing Stipulation, dated June 26th, 1912 (Volume II, Government Exhibits, page 359), for all purposes for which said Minutes are competent and relevant.

Each and all of said minutes are objected to by Counsel for said Defendants on the ground of incompetency, irrelevancy and immateriality.

MINUTES OF EXECUTIVE COMMITTEE OF ILLINOIS STEEL CO.

(Volume 3.)

Meeting of Ex. Com.
held April 12, 1894.

* * *

Credits.

Under date of April 5th, W. H. McLean, Credit Man, reported as follows:

C. M. & St. P.

On March 22nd, Contract with the Chicago, Milwaukee & St. Paul Railway Company for 10,000 tons of Steel Rails; price $25. per gross ton f. o. b. cars their tracks, Chicago; delivery 5,000 tons each May and June; terms, cash 10th of month following month of delivery.

* * *

C. B. & Q. Ry.

February 16th, Contract with the Chicago, Burlington & Quincy Railroad Company for 2,000 tons of Steel Rails, shipment during April, and later for 9,000 tons additional; deliveries 3000 gross tons each, May, June and July; price $25. per ton f. o. b. cars on tracks of the Chicago, Burlington & Quincy; terms, cash 15th of month following month of delivery.

* * *

C. & N. W.

Under date of April 9th Mr. McLean reports Contract with the Chicago & Northwestern Railway Company for 11,500 tons of Steel Rails; delivery during months of June, July, August and September, at price of $25. per gross ton f. o. b. cars our works; terms, cash 10th of month following

month of delivery with the option to settle by four months' note, adding interest not to exceed 6%. Also an option to September 1st, to increase this contract by 5,000 tons additional, at same price.

C. St. P. M. & O. Ry.

March 23rd, contract with the Chicago, St. Paul, Minneapolis & Omaha Railway Company for 8000 tons of Steel Rails; delivery during months of May, June, July and August, at $25. per gross ton f. o. b. cars our works; terms, cash 10th of Month following month of delivery, with the option to settle by their four months' note, adding interest not to exceed 6%, also option to September 1st to increase this contract by 2000 tons additional, at same price.

* * *

Meeting of Ex. Com. held June 5th, 1894.

* * *

West Side Cons. Co.

Sale of 2300 tons of 80# Rails to the West Side Construction Company (Metropolitan Elevated) at $25. per gross ton f. o. b. cars our works, for delivery during 1894. Terms, cash 10th of month following month of delivery.

St. L. C. and St. P. Ry.

Sale of 500 tons of 60# Steel Rails to Jos. Dickson and C. E. Kimball, Receivers of the St. Louis, Chicago and St. Paul R. R. Co, at $28.50 per gross ton f. o. b. cars Springfield, Illinois. Delivery within 60 days when advised. Terms, one-half cash on receipt of rails at Springfield, balance by notes of purchasers, due in 60 days from date of delivery with interest at 6% per annum. Sale made by D. E. Garrison & Son, St. Louis, and sale authorized by the court.

* * *

G. R. & I. R.

Sale of 1000 tons of 60# Steel Rails to the Grand Rapids and Indiana R. R. Co., at $25.40 per gross ton f. o. b. vessel alongside dock at Muskegon, Mich. Terms, cash 15th of month following month of delivery.

* * *

Q. O. & K. C. Ry.

Sale of 250 tons of 60# Steel Rails to the Quincy, Omaha & Kansas City R. R. Co., at $26.25 per gross ton f. o. b. cars West Quincy, Mo. Terms, cash 10th of month following month of delivery. A similar sale was made to these people

1893, for which payment was made according to agreement. This property is now in the hands of a committee of bondholders, who are vested with authority to make necessary expenditures on the road and equipment, and the above sale was made through Theodore Gilman, one of the trustees. The gross earnings of the road are in excess of the operating expenses and taxes, but are not sufficient to pay the interest on the bonds.

* * *

Meeting of Ex. Com. held
September 6, 1894.

* * *

St. L., A. & T. H. Ry.

Sale to the St. Louis, Alton & Terre Haute Railroad Company of 2000 tons of 70# Steel Rails for delivery during the last six months of 1894, at $26.15 per gross ton f. o. b. cars. Terms, cash 90 days from invoice date with interest at 6% per annum, or option to pay cash and deduct interest at 6% per annum on any payment made prior to the 15th of the month following that in which delivery is made. Sale made through D. E. Garrison & Co., who state that the road, at this time, is without bonded indebtedness, having just paid their entire issue.

E. J. & E.

Sale to the Elgin, Joliet & Eastern Railway Company of 200 tons of 75# Rails for delivery during July, at $25. per gross ton f. o. b. cars our works. Settlements in notes of that company three, six, nine and twelve months from invoice date, with interest at 5% per annum.

C. & E. I. Ry.

Sale to the Chicago & Eastern Illinois Railroad Company of 600 tons of 65# Steel Rails, deliverable in September, at $25. per gross ton f. o. b. cars their tracks. Settlements 15th of month following delivery.

B. & N. M. Ry.

Sale to the Brainard & Northern Minnesota Ry. Co., of 1000 tons of 56# Steel Rails, one half each, August and September, and a further sale of 1000 tons to be delivered in November, at $25.60 per gross ton f. o. b. dock, Duluth. Terms, cash 15th of month following delivery, with option to settle in four months note from settlement date with interest at 5% per annum, notes to be endorsed and guaranteed by the Minnesota Logging Company. The railway company

has no bonded indebtedness. The logging company has no direct indebtedness and is made up of representative lumber business men, all of whom are personally men of means and in good standing.

David Ward. Sale to David Ward of 1600 tons of 60# Rails, deliverable 400 tons in July and 1200 tons in August, at $27.55 per gross ton f. o. b. Frederic, Mich. Terms, cash 10th of month following delivery. Captain Ward is considered the wealthiest man in Michigan—his fortune being estimated at $10,000,000, or over.

* * *

Meeting of Ex. Com. held
February 11, 1895.

* * *

W. H. McLean, Credit Man, reported as follows:

Under date of January 19th sale to the Chicago, Rock Island & Pacific Ry. Co. of 6000 tons of Rails for delivery 1000 tons each in April, May and June, and 3000 tons later in 1895 as called for, at $23. per gross ton f. o. b. cars our works. Terms, cash 15th of month following month of delivery.

Sale to the Chicago, Burlington & Quincy Railroad Company of 5000 tons of Rails for delivery in May and June at $23. per gross ton f. o. b. their tracks, Chicago. Terms cash 15th of month following month of delivery. We have the privilege of delivering this tonnage at any time prior to above dates, but in such case the purchaser has the right to anticipate payment under discount of 6% per annum as against contract.

Under date of January 25th, sale to the Pennsylvania Company of 7000 tons of Rails, delivery February to May inclusive, at $23. per gross ton f. o. b. on tracks to the P. Ft. W. & C. Ry., terms, cash, 20th of each month for Rails delivered up to and including the 25th of previous month.

Sale to the Duluth & Iron Range Railroad of 1300 tons of Rails, delivery in May, at $23. per gross ton f. o. b. cars of the C. & N. W. Ry. Terms, cash 15th of month following month of delivery.

Sale to the Kansas City, Fort Scott and Memphis of 3000 tons of Rails for delivery, 500 tons each February, March, May, July, September and October, at $24.95 per gross ton f. o. b. cars Kansas City, Mo., or $25. per gross ton f. o. b. cars, Springfield, Mo., at option of buyer.

Under date of January 30th sale to the Butte, Anaconda & Pacific Ry. Co. of 350 tons of Rails for immediate delivery, at $23. per gross ton f. o. b. our works. Terms, cash 10th of month following month of delivery. Mr. J. Hill, of St. Paul, reports this Company "as good as gold."

Sale to the Chicago, Milwaukee & St. Paul Ry. Co. of 5000 tons of Rails for June delivery at $23. per gross ton f. o. b. tracks, Chicago. Terms, cash 10th of month following month of delivery.

* * *

The following minutes of the Directors of Lake Superior Consolidated Iron Mines (Record, page 1832 to page 1865), are offered in evidence by the petitioner under the foregoing stipulation dated June 26, 1912 (Volume II. Government Exhibits, page 359), for all purposes for which said minutes are competent and relevant:

Each and all of said minutes are objected to by counsel for said defendants on the ground of incompetency, irrelevancy and immateriality.

DIRECTOR'S MEETING.

NEW YORK CITY, July 12, 1900.

An adjourned meeting of the Board of Directors of Lake Superior Consolidated Iron Mines was held at No. 26 Broadway, New York City, this 12th day of July, 1900.

There were present: Mr. Fred I. Gates, President, Geo. Welwood Murray, Chas. E. Scheide and Edward V. Cary, constituting a majority and quorum of the Board.

On motion of Mr. Scheide seconded by Mr. Murray, it was:

* * *

Resolved that the instruments now submitted by the President and General Counsel, enumerated in the following list, be and the same hereby are respectively adopted, and that the executive officers of this company be and they hereby are authorized to execute and deliver the same and to carry out the terms thereof respectively; all the said instruments are dated May 1, 1900.

Lake Superior Consolidated Iron Mines with Oliver Iron Mining Company, agreement rescinding guaranty clause in lease of Mountain Iron Mine and Missabe Mountain Mine.

Lake Superior Consolidated Iron mines to Oliver Iron Mining Company, Supplement to the lease of Mountain Iron Mine.

Rescission of Guaranty Clause, etc.

Agreement made this thirtieth day of April, A. D. nineteen hundred, between Oliver Iron Mining Company herein-

after called the Oliver Company, or the lessee, and Lake Superior Consolidated Iron Mines, hereinafter called the Consolidated Mines, or the lessor.

Under lease from the Mountain Iron Company to the Oliver Mining Company (which has since changed its name to Oliver Iron Mining Company) dated December 1, 1896, and lease from the Missabe Mountain Iron Company, to the Oliver Mining Company, dated December 1, 1896, the Oliver Company is the owner of the lessee estate and interest in the properties thereby demised.

By conveyances and assignments from the said lessor companies the Consolidated Mines is now the owner of the landlord estate and interest in the properties thus demised.

The lessor at the request of the lessee has agreed and hereby agrees to extend the term of the demise of the said Mountain Iron premises to May 1, A. D., 1950, and in consideration thereof and in consideration also of the agreement of the lessor hereinafter set forth and of the sum of one dollar paid by the Consolidated Mines to the Oliver Company, the receipt whereof is hereby acknowledged, the parties hereto have covenanted and agreed to rescind and hereby rescind the fourth article of the said lease of December 1, 1896, from Mountain Iron Company to Oliver Mining Company and the fifth article of the said lease of December 1, 1896, from Missabe Mountain Iron Company to Oliver Mining Company (being the article contained in the said leases respectively which guaranteed the lessee against loss in certain cases arising from a possible lowering of the rail freight rate upon iron ore), and the Oliver Company hereby releases and discharges the Consolidated Mines, its successors and assigns, from all right and claim under the said articles of the said leases or either of them.

In consideration of the rescission by the lessee of the aforesaid articles of the said leases the lessor hereby consents to and the parties hereto have covenanted and agreed and do hereby rescind the Fifteenth Article of the said lease of December 1, 1896, from the Mountain Iron Company to Oliver Mining Company and the Fifteenth Article of the said lease of December 1, 1896, from Missabe Mountain Iron Company

to Oliver Mining Company (being the article prohibiting transfers of stock of the Oliver Mining Company by the owners thereof), and the Consolidated Mines hereby releases and discharges the Oliver Company, its successors and assigns, from all right and claim under the article of the said leases or either of them.

In WITNESS WHEREOF, the parties hereto have executed this instrument the day and year first above written.

Witness as to
O. I. M. Co.
F. J. CRUMP.
CHESTER A. CONGDON.

OLIVER IRON MINING COMPANY
by HENRY W. OLIVER, President.
Attest (Seal.)
C. D. FRASER, Secretary.

Witness as to
L. S. C. I. M.
W. A. JONES.
GEO. WELWOOD MURRAY.

LAKE SUPERIOR CONSOLIDATED IRON MINES,
F. T. GATES, President
Attest (Seal.)
CHAS. E. SCHEIDE,
Secretary.

SUPPLEMENT TO MOUNTAIN IRON LEASE.

This Indenture made this first day of May, A. D., 1900, between Lake Superior Consolidated Iron Mines, a corporation organized under the laws of New Jersey (hereinafter called the Consolidated Mines), party of the first part, and Oliver Iron Mining Company, a corporation organized under the laws of the State of Minnesota (hereinafter called the Oliver Company), party of the second part.

WITNESSETH: By an Indenture of lease bearing date the first day of December, A. D., 1896, between Mountain Iron Company as lessor and Oliver Mining Company, as lessee, there was demised the premises in the County of St. Louis and State of Minnesota described as the West half of the Northwest quarter (W. ½ of N. W. ¼) and the Northwest quarter of the Southwest quarter (N. W. ¼ of S. W. ¼) of Section three (3) in Township fifty-eight (58) North, of Range Eighteen (18) West, of the Fourth Principal Meridian, for the term of fifty years from and after December 1st, 1896; the premises so demised are commonly known as the Mountain Iron Mine.

By another indenture of lease dated the said First day of December, A. D., 1896, between the Missabe Mountain Iron Company as lessor, and Oliver Mining Co., as lessee, there was demised the premises in the County of St. Louis and State of Minnesota described as the northeast quarter (N. E. ¼) of Section Eight (8) Township Fifty-eight (58), North, Range Seventeen (17) West, for a term beginning December 1st, A. D., 1896, and ending one day before March 1st, A. D., 1942: the demised premises are commonly known as the Missabe Mountain Mine.

By another indenture of lease dated August 1st, 1892, between Alfred Merrit and others as lessors, and Nathaniel D. Moore and another, as lessees, there was demised the premises in the County of St. Louis and State of Minnesota, described as the Southwest quarter of the Northwest quarter (S. W. ¼ of N. W. ¼) of Section Nine (9) in Township Fifty-eight (58) North, of Range Seventeen (17) West. The premises so demised are commonly known as the Lone Jack Mine. The said lease of the Lone Jack Mine has been modified by an agreement dated June 19, 1894, between David F. Adams and others, the then owners of the fee of the said Lone Jack Mine, and the Consolidated Mines, then owner of the lease of said mine; and the said leasehold is now held by the Oliver Company. The undivided nineteen-twenty-fourths of the fee of said Lone Jack Mine is now owned by the Consolidated Mines.

The Consolidated Mines represents to, and covenants with, the Oliver Company that it is now the owner, by a good and perfect title of the fee of the said Mountain Iron Mine.

The fee of the Missabe Mountain Mine is owned by the State of Minnesota and the said mine was, on the Second day of March, A. D., 1892, demised by the State to the Missabe Mountain Iron Company. The Consolidated Mines represents to and covenants with the Oliver Company that said lease from the State of Minnesota to the Missabe Mountain Iron Company has been heretofore transferred and conveyed to the said Consolidated Mines, and that said Consolidated Mines is now the owner, by a good and perfect title, of the leasehold estate in said premises so created by the State of Minnesota.

By another Indenture of lease dated the First day of May, 1900, between the Consolidated Mines, as lessor, and the Oliver Company as lessee, and executed and delivered contemporaneously herewith, there was demised the premises in the County of St. Louis and State of Minnesota described as the West half of the Southeast quarter (W. ½ if S. W. ¼) of Section (9), in Township Fifty-eight (58) North, of Range Seventeen (17) West, for the term of fifty years from and after the first day of May, A. D., 1900; the premises so demised are commonly known as the Ohio Mine.

Oliver Mining Company named in said leases of the Mountain Iron Mine and the Missabe Mountain Mine and the assignment of the lease of the Lone Jack Mine, has since changed its corporate name or style to Oliver Iron Mining Company, and is the identical Corporation in this instrument named as the party of the second part, and represents to and covenants with the Consolidated Mines that it (the Oliver Company) is now the owner of the lessee estate and interest under the said leases from the Mountain Iron Company and the Missabe Mountain Company, and is the assignee and owner of the said lease of the Lone Jack Mine.

By agreement heretofore executed and delivered the Fourth and Fifteenth articles of the said lease of the Mountain Iron Mine, dated December 1st, 1896, have been rescinded, and the term of the demise hereby made has been extended to May 1, A. D., 1950.

The Oliver Company, by a contract executed and delivered simultaneously with this instrument has sold to the Consolidated Mines all the iron ore which the Oliver Company may mine and remove from said Missabe Mountain, Lone Jack, Ohio and Mountain Iron Mines, under said leases thereof.

The Consolidated Mines, by a contract executed and delivered simultaneously herewith, has sold to the Carnegie Steel Company a Pennsylvania corporation, all the iron ore which it may receive from the Oliver Company under said contract of sale.

Now, therefore, in consideration of the matters above recited, and of the sum of One Dollar, by each party to the other

paid, the receipt whereof is hereby acknowledged, and in further consideration of the covenants, conditions and provisions of this instrument to be kept and performed by the respective parties hereto, said parties covenant and agree that the said lease made by the Mountain Iron Company bearing date December 1st, 1896, shall be, and the same hereby is, further modified and enlarged as follows and not otherwise.

First: The following articles are hereby added to and made a part of said lease.

Eighteenth: The Oliver Company has sold to the Consolidated Mines under a contract dated May 1st, 1900, the entire output of the demised premises; it has also made traffic contracts of the same date with the Duluth, Missabe & Northern Railway Company and with the Bessemer Steamship Company, to be operative in the contingencies therein set forth. It is hereby agreed that so long as, but no longer than, the said contract of sale or either of the said traffic contracts shall be binding upon the parties, the Third Article of this lease shall be suspended and inoperative (except that the obligation to ship over the lines of the Duluth, Missabe & Northern Railway all ore removed from said premises by whomsoever removed shall remain in force, but such obligation shall not apply to ore sold by the lessee to the lessor and delivered at the mine), and the Eleventh Article of this lease shall read as follows:

Eleventh: Provided, however, and this lease is granted upon condition as follows: In case the Oliver Company shall fail fully and promptly to keep and perform any one or more of the agreements on its part to be kept, contained in Articles One and Two in the said agreement between the Oliver Company and the Consolidated Mines, executed and delivered simultaneously with this agreement, or in case the Carnegie Steel Company shall fail fully and promptly to keep and perform any one or more of the agreements on its part to be kept, contained in Articles One, Three, Four, Six, Seven and Nine in the said contract between it and the Consolidated Mines dated May 1, 1900 (provided that such default by one of said parties shall not have been directly caused by a failure

of the Consolidated Mines to perform some obligation on its part contained in one or the other of the said contracts concerning which failure the contract provides that the other party may give notice, and such other party shall have given such notice to the Consolidated Mines accordingly), or if at any time the lessee shall fail to work the mines upon the said premises in a good and workmanlike manner, and in accordance with good engineering requirements, or shall fail to pay the ground rent when due as aforesaid without demand from the lessor, or shall fail to pay any tax or assessment in accordance with the provisions of this lease, then, in any one of such cases, the lessor may declare this lease null, void and forfeited by giving written notice to the lessee.

Such notice shall be served upon the lessee as follows: by two registered letters, one addressed to the lessee at Pittsburgh, Pennsylvania, and the other addressed to the lessee at Duluth, Minnesota, and mailed in the United States Post Office at New York, New York, or at Duluth, Minnesota, with postage prepaid, and by leaving a copy of the notice with an adult person at the general office of the lessee at Pittsburg.

The lessee, or the Carnegie Company, as the case may be, shall have thirty days from and after such mailing of said copy notice, and such service of said copy notice specifying the alleged default, in which to remove the said default and to comply with the terms and conditions of this lease, and upon full compliance therewith within the said thirty days such forfeiture shall be avoided and set aside; provided, that whenever any default occurs and a notice of forfeiture shall be given as aforesaid, the lessee shall not remove any iron ore, machinery, fixtures or other property from the said lands without the previous written consent of the lessor, or any machinery, fixtures or other property until the said default has been avoided as aforesaid. And furthermore, the lessor shall have a lien on all iron ore and all fixtures, buildings and machinery of the lessee upon the said lands for all sums at any time in default and for the compliance by the lessee with the terms of this lease, and the lessor may immediately upon such default take possession of the said iron ore, fixtures, tools, buildings and machinery and proceed to enforce the

said lien in the manner provided by law for the enforcement of liens upon personal property.

During the like period there shall be added to the Fifteenth Article of this lease the following proviso:

Provided, however, that when the lessee shall terminate this lease under the provisions of this Article such surrender of this lease shall not reduce the amount of ore required to be annually removed from the Missabe Mountain Mine, the Lone Jack Mine and the Ohio Mine, taken collectively, below 1,200,000 tons.

NINETEENTH: The W. ½ of S. W. ¼ of Section 9, in said Township 58, Range 17, West, known as the Ohio Mine, has been demised to the Oliver Company by indenture dated May 1, 1900. It is the intention of the parties hereto that during the period hereinafter mentioned for the purpose of determining the minimum annual output of said Mountain Iron, Missabe Mountain, Lone Jack and Ohio Mines, and the amount of ground rents or advance royalties annually payable under the respective leases of said mines, all of said mines shall be treated as one mine with an agreed annual minimum output of 1,200,000 gross tons of iron ore from all of said mines in the aggregate, and that the Oliver Company may pay advance royalty or ground rent in the nature of royalty, upon the difference between 1,200,000 gross tons and the aggregate amount of all ore removed by it in any year from all of said mines under any one or more of the respective leases of said mines under which it may elect to make such payments: therefore, it is agreed by the parties hereto, that as long as, and no longer than, the said contract for the sale of the output of said mines to the Consolidated Mines or either of said traffic contracts, shall be binding, the aggregate annual minimum output of the Mountain Iron, the Missabe Mountain, The Lone Jack and the Ohio mines shall be 1,200,000 gross tons, which may be taken in whole or in part from one or more of said mines, royalty to be paid for the ore at the rate prescribed for the particular mine from which it is actually taken by the lease of that mine; and in any year in which the Oliver Company shall remove in the aggregate from any or all of said mines 1,200,000 gross tons of ore or more, no ground rent or

advance royalty shall be payable under this lease: and in any year in which the Oliver Company shall not remove in the aggregate from all of said mines 1,200,000 gross tons of ore, the Oliver Company shall pay advance royalty, or ground rent in the nature of advance royalty, upon the difference between 1,200,000 tons and the aggregate amount of all ore removed by it in such year from all of said mines, and such payments of advance royalty or ground rent may be made under any one or more of the respective leases of said mines which the Oliver Company may select: save and except, that so long as the Lone Jack lease shall remain in force and be held by the Oliver Company, such company shall pay when due to the owner of the five twenty-fourths of the fee not owned by the Consolidated Mines the minimum royalties accruing annually to the owners of said five twenty-fourths; and save and except, that so long as the Oliver Company shall hold said sub-lease of the Missabe Mountain Mine, it shall pay annually when due to the State of Minnesota, or its successors in interest, the annual minimum royalties required by the lease of said mine made by the State of Minnesota to be paid to the owner of the fee thereof; and provided that when the rate of royalty differs as between one mine and another the credit for advance royalty shall be given only for the particular mines for which it shall have been paid.

No other advance royalty or ground rent shall be payable under this lease.

The lessee will at all times develop the said mines with a view to an annual producing capacity of 1,200,000 tons.

And further provided, that if the said Mountain Iron, Missabe Mountain, Lone Jack and Ohio Mines shall appear in the judgment of the lessor and lessee to be no longer capable, if developed and operated in good workmanlike manner and in accordance with the requirements of good engineering, of producing 1,200,000 tons of ore per annum, then from thenceforth, during the remainder of the life of this lease, the annual minimum output of the said mines shall be reduced to such extent as the lessor and lessee may deem just and may provide by written supplement hereto, and in case of their failure to agree as to the fact of the lack of capacity of the said mines or the degree of such incapacity and the extent to

which such output should be reduced, the judgment of a majority of three disinterested experts to be chosen, one by each party and the third by the two thus selected, shall be deemed to be conclusive thereon, and the aggregate annual ground rent or minimum royalties payable under the said leases shall be proportionately reduced accordingly, but in no event shall the annual minimum output be reduced by as much as 600,000 tons unless either the Mountain Iron mine, or all three, the Missabe Mountain, the Lone Jack and Ohio mines shall be substantially exhausted.

In the case of the arbitration above provided for, if either party fails to name an arbitrator within thirty days after delivery to it of written notice that the other party has named in writing a person to act as one of the arbitrators, then the one arbitrator so named may determine the question to be submitted as above provided.

In view of the fact that if this lease were not made a reduction in the rate for carrying iron ore would inure to the benefit of the lessor, it is agreed that if in any year during the existence of this lease there shall be paid for carrying from the Missabe Range to lower Lake ports, and delivery on docks at such ports iron ore removed from the said premises (except ore sold and actually delivered by the Oliver Company to the Consolidated Mines under the contract of May 1, 1900, referred to in the preamble of this supplemental lease) less than one dollar and thirty cents per gross ton plus the exact actual cost paid by the vessel to the dock for unloading at lower Lake ports, the royalty payable under this lease by the lessee to the lessor for each gross ton of such ore shall be increased by the difference between the rate so paid and One dollar and thirty cents plus said cost of unloading.

TWENTIETH: The articles of this lease preceding the eighteenth, and especially the second and twelfth articles, are hereby so modified as to conform to the eighteenth and nineteenth articles.

SECOND: Save as modified herein and as modified by the rescission of the Fourth and Fifteenth Articles recited in the preamble hereof, said Mountain Iron lease dated December 1, 1896, shall remain in full force and effect.

IN WITNESS WHEREOF the parties hereto have unto (*sic*) set their hands and seals the day and year first above written.

Sealed and delivered in the presence of
GEO. WELLWOOD MURRAY
W. A. JONES.

LAKE SUPERIOR CONSOLIDATED IRON MINES
by F. T. GATES, President.
Attest CHAS. E. SCHEIDE, Secretary.
(Seal.)

Witnesses as to O. I. M. Co.
T. J. CRUMP,
CHESTER A. CONDON.

OLIVER IRON MINING COMPANY
by HENRY W. OLIVER, President.
Attest C. D. FRASER, Secretary.
(Seal.)

SUPPLEMENT TO MISSABE MOUNTAIN LEASE.

This Indenture, made this First day of May, A. D., 1900, between Lake Superior Consolidated Iron Mines, a corporation organized under the laws of New Jersey (hereinafter called the Consolidated Mines), party of the first part, and Oliver Iron Mining Company, a corporation organized under the laws of the State of Minnesota (hereinafter called the Oliver Company), party of the second part.

WITNESSETH: By an indenture of lease dated March 24, 1892, and recorded in the office of the Register of St. Louis County, Minnesota, on the ninth day of August, 1892, in Book S, of Agreements, page 1, the State of Minnesota demised to the Missabe Mountain Iron Company the premises hereinafter mentioned, for the term of fifty years, beginning March 2, 1892.

By an Indenture of Lease bearing date the first day of December, A. D., 1896, between Missabe Mountain Iron Company as lessor and Oliver Mining Company, as lessee, there was demised the premises in the County of St. Louis and State of Minnesota described as the Northeast quarter (N. E. $\frac{1}{4}$) of Section number Eight (8) in Township number fifty-eight (58) North of Range number Seventeen (17) West of the Fourth Principal Meridian, for the term beginning December 1, A. D., 1896, and ending one day before March 1st, A. D., 1942; the premises so demised are commonly known as the Missabe Mountain Iron Mine.

By another Indenture of Lease dated the said First day

of December, A. D., 1896, between the Mountain Iron Company as lessor, and Oliver Mining Company as lessee, there was demised the premises in the County of St. Louis and State of Minnesota, described as the West half of the Northwest quarter (W. ½ of N. W. ¼) and the Northwest quarter of the Southwest quarter (N. W. ¼ of S. W. ¼) of Section three (3) in Township Fifty-Eight (58) North, of Range eighteen (18) West, of the Fourth Principal Meridian, for the term of Fifty Years from and after December 1st, 1896; the premises so demised are commonly known as the Mountain Iron Mine.

By another Indenture of Lease dated August 1st, 1892, between Alfred Merrit and others as lessors, and Nathaniel D. Moore and another as lessees, there was demised the premises in the County of St. Louis and State of Minnesota described as the Southwest quarter of the Northwest quarter (S. W. ¼ of N. W. ¼) of Section Nine (9), in Township Fifty-eight (58), North of Range Seventeen (17) West. The premises so demised are commonly known as the Lone Jack Mine. The said lease of the Lone Jack Mine has been modified by an agreement dated June 19, 1894, between David T. Adams and others, the then owners of the fee of the said Lone Jack Mine and the Consolidated Mines, then owner of the lease of said mine; and the said leasehold estate is now held by the Oliver Company. The undivided nineteen-twenty-fourths of the fee of said Lone Jack Mine is now owned by the Consolidated Mines.

The Consolidated Mines represents to and covenants with the Oliver Company that it is now the owner, by a good and perfect title, of the fee of said Mountain Iron Mine.

The fee of the Missabe Mountain Mine is owned by the State of Minnesota, and the said mine was as aforesaid, demised by the State to the Missabe Mountain Iron Company. The consolidated Mines represents to and covenants with the Oliver Company that said lease from the State of Minnesota to the Missabe Mountain Iron Company has been heretofore transferred and conveyed to the said Consolidated Mines, and that said Consolidated mines is now the owner by a good and perfect title, of the leasehold estate in said premises so created by the State of Minnesota.

By another Indenture of Lease dated the first day of May, 1900, between the Consolidated Mines, as lessor, and the Oliver Company, as lessee, and executed and delivered contemporaneously herewith, there was demised the premises in the County of St. Louis and State of Minnesota described as the West half of the Southwest quarter (W. ½ of S. W. ¼) of Section Nine (9) in Township Fifty-eight (58), North of Range Seventeen (17) West, for the term of Fifty years from and after the first day of May, A. D., 1900; the premises so demised are commonly known as the Ohio Mine.

Oliver Mining Company named in said leases of the Mountain Iron Mine, and the Missabe Mountain Mine and the assignment of the lease of the Lone Jack Mine, has since changed its corporate name or style to Oliver Iron Mining Company and is the identical corporation in this instrument named as party of the second part, and represents to and covenants with the Consolidated Mines that it (the Oliver Company) is now the owner of the lessee estate and interest under the said leases from the Mountain Iron Company and the Missabe Mountain Company and is the assignee and owner of the said lease of the Lone Jack Mine.

By agreement heretofore executed and delivered the Fifth and Fifteenth articles of the said lease of the Missabe Mountain Mine dated December 1st, 1896, have been rescinded.

The Oliver Company has, by a contract executed and delivered simultaneously with this instrument, sold to the Consolidated Mines all the iron ore which the Oliver Company may mine and remove from said Missabe Mountain, Lone Jack, Ohio and Mountain Iron Mines under said leases thereof.

The Consolidated Mines, by a contract executed and delivered simultaneously herewith, has sold to the Carnegie Steel Company, a Pennsylvania Corporation, all the iron ore which it may receive from the Oliver Company under said contract of sale.

Now, THEREFORE, in consideration of the matters above recited and of the sum of one dollar, by each party to the other paid, the receipt whereof is hereby acknowledged, and in further consideration of the covenants, conditions and pro-

visions of this instrument to be kept and performed by the respective parties hereto, said parties covenant and agree that the said lease made by the Missabe Mountain Iron Company bearing date December 1st, 1896, shall be, and the same hereby is, further modified and enlarged, as follows, and not otherwise.

First: The following articles are hereby added to and made a part of said lease.

Eighteenth: The Oliver Company has sold to the Consolidated Mines under a contract dated May 1st, 1900, the entire output of the demised premises; it has also made traffic contracts of the same date with the Duluth, Missabe & Northern Railway Company and with the Bessemer Steamship Company, to be operative in the contingencies therein set forth. It is hereby agreed that so long as, but no longer than, the said contract of sale or either of the said traffic contracts shall be binding upon the parties, the Fourth Article of this lease shall be suspended and inoperative (except that the obligation to ship over the lines of the Duluth, Missabe & Northern Railway all ore removed from said premises by whomsoever removed, shall remain in force, but such obligation shall not apply to ore sold by the lessee to the lessor and delivered at the mine), and the Eleventh Article of this lease shall read as follows:

Eleventh: Provided, however, and this lease is granted upon condition as follows: In case the Oliver Company shall fail fully and promptly to keep and perform any one or more of the agreements on its part to be kept contained in Articles One and Two in the said agreement between the Oliver Company and the Consolidated Mines, executed and delivered simultaneously with this agreement, or in case the Carnegie Steel Company shall fail fully and promptly to keep and perform any one or more of the agreements on its part to be kept contained in Articles One, Three, Four, Six, Seven and Nine, in the said contract between it and the Consolidated Mines dated May 1, 1900 (provided that such default by one of said parties shall not have been directly caused by a failure of the Consolidated Mines to perform some obligation on its

part contained in one or the other of the said contracts concerning which failure the contract provides that the other party may give notice and such other party shall have given such notice to the Consolidated Mines accordingly) or if at any time the lessee shall fail to work the mines upon the said premises in accordance with good engineering requirements or shall fail to pay the ground rent or the royalty, including royalty to the State of Minnesota when due as aforesaid, or shall fail to keep and perform all the covenants, conditions and provisions on the part of the lessee contained in said lease from the State of Minnesota, without demand in any of the above mentioned cases from the lessor, or shall fail to pay any tax or assessment in accordance with the provisions of this lease, then, in any one of such cases, the lessor may declare this lease null, void and forfeited by giving written notice to the lessee. Such notice shall be served upon the lessee as follows: by two registered letters, one addressed to the lessee at Pittsburg, Pennsylvania, and the other addressed to the lessee at Duluth, Minnesota, and mailed in the United States Post Office at New York, New York, or at Duluth, Minnesota, with postage prepaid and by leaving a copy of the same with an adult person at the general office of the lessee at Pittsburg. The lessee or the Carnegie Company, as the case may be, shall have thirty days from and after such delivery of said notice and from and after such mailing of said copy of notice, specifying the alleged default, in which to remove the said default and to comply with the terms and conditions of this lease, and upon full compliance therewith within the said thirty days such forfeiture shall be avoided and set aside; provided, that whenever any default occurs and a notice of forfeiture shall be given as aforesaid, the lessee shall not remove any iron ore, machinery, fixtures, or other property from the said lands without the previous written consent of the lessor, or any machinery, fixtures, or other property until the said default has been avoided as aforesaid. And furthermore the lessor shall have a lien on all iron ore and all fixtures, tools, buildings and machinery of the lessee upon the said lands for all sums at any time in default and for the compliance by the lessee with the terms of this lease, and the lessor may immediately upon such default, take possession of

the said iron ore, fixtures, tools, buildings and machinery and proceed to enforce the said lien in the manner provided by law for the enforcement of liens upon personal property.

During the like period there shall be added to the thirteenth Article of this lease the following proviso:

Provided, however, that when the lessee shall terminate this lease under the provisions of this Article such surrender of this lease shall not reduce the amount of ore required to be annually removed from the Mountain Iron Mine, the Lone Jack Mine and the Ohio Mine, taken collectively below 1,200,000 tons.

NINETEENTH: The W. ½ of the S. W. ¼ of Section 9 in said Township 58, Range 17, West, known as the Ohio Mine has been demised to the Oliver Company by the Indenture dated May 1st, 1900.

It is the intention of the parties hereto that during the period hereinafter mentioned, for the purpose of determining the minimum annual output of said Mountain Iron, Missabe Mountain, Lone Jack and Ohio Mines, and the amount of ground rents or advance royalties annually payable under the respective leases of said mines, all of said mines shall be treated as one mine with an agreed annual minimum output of 1,200,000 gross tons of iron ore from all of said mines in the aggregate; and the Oliver Company may pay advance royalty, or ground rent in the nature of royalty, upon the difference between 1,200,000 gross tons and the aggregate amount of all ore removed by it in any year from all of said mines under any one or more of the respective leases of said mines under which it may elect to make such payments; therefore it is agreed by the parties hereto, that so long as, and no longer than, the said contract for the sale of the output of said mines to the Consolidated mines or either of said traffic contracts shall be binding, the aggregate annual minimum output of the Mountain Iron, the Missabe Mountain, the Lone Jack and the Ohio mines shall be 1,200,000 gross tons, which may be taken in whole or in part from one or more of said mines, royalty to be paid for the ore, at the rate prescribed for the particular mine from which it is actually taken by the lease of that mine; and in any year in which the Oliver Com-

pany shall remove in the aggregate from any or all of said mines 1,200,000 gross tons or more no ground rent or advance royalty shall be payable under this lease; and in any year in which the Oliver Company shall not remove in the aggregate from all of said mines 1,200,000 gross tons of ore, the Oliver Company shall pay advance royalty or ground rent in the nature of advance royalty, upon the difference between 1,200,000 tons and the aggregate amount of all ore removed by it in such year from all of said mines, and such payments of advance royalty or ground rent may be made under any one or more of the respective leases of said mines which the Oliver Company may select; save and except, that so long as the Lone Jack lease shall remain in force and be held by the Oliver Company, such company shall pay when due to the owner of the five twenty-fourths of the fee not owned by the Consolidated Mines, the minimum royalties accruing annually to the owners of the said five twenty-fourths; and save and except that so long as the Oliver Company shall hold said sublease of the Missabe Mountain Mines, it shall pay annually when due to the State of Minnesota, or its successor in interest, the annual minimum royalty required by the lease of said mine made by the State of Minnesota to be paid to the owner of the fee thereof; and provided that where the rate of royalty differs as between one mine and another the credit for advance royalty shall be given only for the particular mine for which it shall have been paid. No other advance royalty or ground rent shall be payable under this lease. The lessee will at all times develop the said mines with a view to an annual producing capacity of 1,200,000 tons.

And further provided that if the said Mountain Iron, Missabe Mountain, Lone Jack and Ohio Mines shall appear in the judgment of the lessor and lessee to be no longer capable if developed and operated in a good workmanlike manner and in accordance with the requirements of good engineering, of producing 1,200,000 tons of ore per annum, then from thenceforth during the remainder of the life of this lease the annual minimum output of the said mines shall be reduced to such extent as the lessor and lessee may deem just and may provide by written supplement hereto, and in case of their failure to agree as to the fact of the lack of capacity of the said mines

or the degree of such incapacity and the extent to which such output should be reduced, the judgment of a majority of three disinterested experts to be chosen, one by each party and the third by the two thus selected, shall be deemed to be conclusive thereon, and the aggregate annual ground rent or minimum royalties payable under the said leases shall be proportionately reduced accordingly, but in no event shall the annual minimum output be reduced by as much as 600,000 tons unless either the Mountain Iron Mine or all three the Missabe Mountain, the Lone Jack and Ohio Mines shall be substantially exhausted.

In case of the arbitration above provided for, if either party fails to name an arbitrator within thirty days after delivery to it of written notice that the other party has named in writing a person to act as one of the arbitrators, then the one arbitrator so named may determine the question to be submitted as above provided.

In view of the fact that if this lease were not made a reduction in the rate for carrying would inure to the benefit of the lessor, it is agreed that if in any year during the existence of this lease there shall be paid for carrying from the Missabe Range to lower lake ports and delivery on docks at such ports iron ore removed from the said premises (except ore sold and actually delivered by the Oliver Company to the Consolidated Mines under the contract of May 1st, 1900, referred to in the preamble of this supplemental lease) less than one dollar and thirty cents per gross ton plus the actual cost paid by the vessel to the dock for unloading at lower lake ports the royalty payable under this lease by the lessee to the lessor for each gross ton of such ore shall be increased by the difference between the rate so paid and one dollar and thirty cents plus said cost of unloading.

TWENTIETH: The articles of this lease preceding the Eighteenth, and especially the Third and Twelfth Articles, are hereby so modified as to conform to the Eighteenth and Nineteenth Articles.

SECOND: Save as modified herein and as modified by the rescission of the Fifth and Fifteenth Articles recited in the

preamble hereof, said Missabe Mountain lease, dated December 1st, 1896, shall remain in full force and effect.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals the day and year first above written.

Sealed and delivered
in the presence of
GEO. WELWOOD MURRAY
W. A. JONES.

LAKE SUPERIOR CONSOLIDATED IRON MINES,
by F. T. GATES, President (Seal)
Attest CHAS. E. SCHEIDE,
Secretary.

Witnesses as to
O. I. M. Co.
T. J. CRUMP
CHESTER A. CONGDON.

OLIVER IRON MINING COMPANY,
by HENRY W. OLIVER, President (Seal)
Attest C. D. FRASER, Secretary.

Modification of Lone Jack Lease.

This Agreement made this first day of May, A. D., 1900.

* * *

LEASE OF OHIO MINE.

This Indenture, made this first day of May, A. D., nineteen hundred, between Lake Superior Consolidated Iron Mines, a corporation organized under the laws of the State of New Jersey (hereinafter called the lessor), party of the first part, and the Oliver Iron Mining Company, a corporation, organized under the laws of the State of Minnesota (hereinafter called the lessee), party of the second part.

* * *

OLIVER SALES CONTRACT.

This agreement made this First day of May, in the year 1900, between Oliver Iron Mining Company, a corporation organized under the laws of the State of Minnesota (hereinafter called the Oliver Company), party of the first part, and Lake Superior Consolidated Iron Mines, a corporation organized under the laws of the State of New Jersey (hereinafter called the Consolidated Mines), party of the second part, witnesseth as follows:

By lease from the Mountain Iron Company dated December 1st, 1896, and a supplemental lease from the Consolidated Mines, dated May 1, 1900, there has been demised to the Oliver Company certain lands hereinafter designated as the Mountain Iron Mine.

By lease from the Missabe Mountain Iron Company dated December 1st, 1896, and a supplemental lease from the Consolidated Mines dated May 1, 1900, there has been demised to the Oliver Company certain lands hereinafter designated as the Missabe Mountain Mine.

Under lease from Alfred Merritt and others to Nathaniel D. Moore and another dated August 1, 1892, modified by an agreement dated June 19th, 1894, between David P. Adams and others and the Consolidated Mines, and assigned to the Oliver Company by instrument dated July 10th, 1894, the Oliver Company holds the lessee estate in the premises hereinafter designated as the Lone Jack Mine, and an agreement with respect thereto has been made between the Consolidated Mines and the Oliver Company by instrument dated May 1, 1900.

By lease from the Consolidated Mines dated May 1, 1900, there has been demised to the Oliver Company certain lands hereinafter designated as the Ohio Mine.

The Consolidated Mine has contemporaneously with the making of this contract, entered into a contract with Carnegie Steel Company, for the sale of iron ore, bearing date May 1st, A. D., 1900.

Now, in consideration of the sum of One Dollar paid by the Consolidated Mines to the Oliver Company, the receipt whereof is hereby acknowledged, the parties hereto covenant and agree as follows:

First: So long as the Consolidated Mines shall be under obligation to deliver ore to the Carnegie Steel Company under said contract, the Oliver Company will mine from the Mountain Iron Mine, the Missabe Mountain Mine, the Lone Jack Mine and the Ohio Mine all and only the ore required by the said sales contract to be delivered by the Consolidated Mines to the Carnegie Steel Company from those mines or some of them.

All of the said mines are situate in St. Louis County, Minnesota, and are described as follows, to wit:

The Mountain Iron Mine is described as the West half of the Northwest quarter and the Northwest quarter of the Southwest quarter of Section Three, all in Township Fifty-eight North, of Range Eighteen West.

The Missabe Mountain Mine is described as the Northeast quarter of Section Eight in Township Fifty-eight, North of Range Seventeen West.

The Lone Jack Mine is described as the Southwest quarter of the Northwest quarter of Section Nine, in Township Fifty-eight, North of Range Seventeen West.

The Ohio Mine is described as the West half of the Southwest quarter of Section Nine in Township Fifty-eight, North of Range Seventeen West.

And the Oliver Company will deliver the said ores to the Consolidated Mines at the several mines where the said ores shall be mined free on board cars of the Duluth, Missabe and Northern Railway Company and on or before the tenth day of each calendar month will transmit to the Consolidated Mines a written statement of all ore mined on each of the said several properties and of the ore delivered therefrom as aforesaid during the preceding month. The ores so delivered on the cars of said Railway shall be delivered in as nearly equal monthly quantities as possible, during the shipping season, and if when so offered for delivery said railway company shall fail or refuse to receive and promptly carry said ores in the regular course of business, or if the Consolidated Mines shall refuse to accept said ores for any cause, whereby the Oliver Company shall be prevented from delivering to the Consolidated Mines its season's output in substantially equal monthly quantities during the shipping season (after the Consolidated Mines has been notified as early as March first of the year in question of substantially the amount of ore intended to be delivered by the Oliver Company to it during that season), the Oliver Company may, at its election, terminate this contract unless within thirty days after written notice to the Consolidated Mines of such default on its part or such failure on the part of the Railway Company it shall correct the same by increasing its acceptances of ore here-

under to such a point as substantially to cure the deficiency in the quantity of ore accepted hereunder and fulfill down to the expiration of said thirty days period its obligation as to acceptance of ore. The termination of this contract may be effected only by written notice to the Consolidated Mines.

SECOND: The Consolidated Mines will accept delivery of Ore from the Oliver Company if and when made as aforesaid. The price for the said ores so delivered free on board cars of the Duluth, Missabe and Northern Railway Company shall be the exact actual cost of mining the same. All royalties actually paid by the Oliver Company on the ore so sold and delivered to the Consolidated Mines and all expenses for exploration, development and mining and for taxes of all kinds shall be included in the said cost of mining. For the purpose of fixing such price hereunder all payments for royalty, exploration, development, taxes, and other like charges, although made to cover periods longer than one month, shall be included in the cost of mining in the month when such payments shall actually be made. Payments for ore hereunder shall be made by the Consolidated Mines to the Oliver Company at its office in the City of Pittsburgh, State of Pennsylvania, or such other place as it shall hereafter designate in writing, on the 20th day of each month for all ore delivered during the immediately preceding calender month and shall be made in United States gold coin equal to the present standard in weight and fineness or its equivalent in lawful money of the United States of America. All notices under the said Carnegie sales contract given by the Carnegie Company to the Consolidated Mines with respect to the quantities of ore to be delivered, the properties from which the same shall be mined, or otherwise, will be communicated by the Consolidated Mines to the Oliver Company within five days after the receipt thereof, and thereupon the Oliver Company will be under obligation to fulfill the same so far as concerns any acts upon or with respect to the said properties and mining thereon.

All notices to be given by either of the parties to the other hereunder must be in writing, and if given by the Consolidated Mines to the Oliver Company must be delivered to

the President of the Oliver Company or transmitted through the United States mail, addressed to him at the office of the Oliver Company at Pittsburg, Pennsylvania, if such notices shall be from the Oliver Company to the Consolidated Mines, they must be delivered to the President of the Consolidated Mines or transmitted through the United States mail addressed to him at the office of the Consolidated Mines at New York City, New York. Weights named in said Railway Company's bills of lading shall be deemed presumptively correct, subject to correction.

THIRD: This contract shall continue as to each property and the ore from each property named in the said Carnegie sales contract during the life, and no longer, of the said sales contract, as to that property, or the ore therefrom, and it may be terminated by either party, wholly or in part, only coincidentally with the termination of the said Carnegie sales contract, wholly or as to the part in question, so that whenever, as to any property herein referred to, the Consolidated Mines shall no longer be under obligation to deliver under the said Carnegie sales contract ore taken from that property, then forthwith this agreement shall cease as to that property. No wrongful breach by the Carnegie Company of its said contract shall give the Oliver Company the right to terminate this contract, and no wrongful breach by the Consolidated Mines of the said Carnegie contract shall give it the right to terminate this contract.

FOURTH: This contract shall bind both of the parties and their respective successors. No assignment, mortgage, pledge or underletting of this contract shall be made by either party, or, if made, shall be valid without the previous written consent of the other party.

FIFTH: During the mining season of 1900 the Oliver Company will mine, and deliver to the Consolidated Mines, free on board cars as aforesaid, and for the prices aforesaid, as much ore up to five hundred thousand tons from the Ohio Mine as the Consolidated Mines may sell and desire to deliver to others than the Carnegie Steel Company. In making delivery of ore under this paragraph, the Oliver Company shall deliver ore averaging at least 62 per centum in metallic

iron; provided, that such quantity and grade can be produced by the ordinary methods of operating the mine with a steam shovel. If desired by the Oliver Company, the Consolidated Mines will furnish to the Oliver Company a steam shovel or other appliances sufficient to enable it to mine the said five hundred thousand tons.

In witness whereof, the parties to this instrument have executed the same the day and year first above written.

Witnesses as to O. I. M. Co. Oliver Iron Mining Company.

T. J. Crump By Henry W. Oliver, President
Chester A. Congdon. (Seal)
Attest C. D. Fraser, Secretary.

Lake Superior Consolidated

Witnesses as to L. S. C. I. M. Iron Mines.
Geo. Welwood Murray By F. T. Gates, President
W. A. Jones. Attest Chas. E. Scheide,
Secretary.
(Seal)

Carnegie Sales Contract.

This agreement made this First day of May in the year Nineteen hundred, between Lake Superior Consolidated Iron Mines, a corporation organized under the laws of the State of New Jersey (hereinafter called the vendor), party of the first part, and Carnegie Steel Company, a corporation organized under the laws of the State of Pennsylvania (hereinafter called the vendee), party of the second part, witnesseth

The vendor has contemporaneously with the making of this contract entered into a contract with the Oliver Iron Mining Company (hereinafter called the Oliver Company) for the purchase of all the iron ore which said Oliver Company shall mine from the premises described in said contract, to wit: from the Mountain Iron, the Missabe Mountain, the Lone Jack and the Ohio Mines.

First: The vendor agrees to sell and deliver to the vendee and the vendee agrees to buy and accept from the vendor, annually during the periods hereinafter set forth

the quantities of Missabe Iron ore hereafter described, upon the terms hereinafter provided.

SECOND: The vendor will sell and the vendee will buy in each year during the said period 1,200,000 gross tons of iron ore from the said mines.

If in any shipping season the vendee shall not require so much ore as 1,200,000 tons from the Missabe Range it shall, on written notice of its actual requirements from the said properties for the said season delivered to the vendor on or before March 1st, in the year in question, be relieved for the year in question from its obligation to take and pay for the difference in quantity between its requirements then notified and the 1,200,000 tons, provided the lessee of the said properties shall pay to the vendor herein at the time and in the manner required by the leases and agreements next mentioned, the annual ground rent or advance royalties upon such difference prescribed in the leases of the said properties now existing, as modified by agreements between the said vendor and the lessee of said properties dated May 1, 1900; and provided, the said lessee shall also pay to the State of Minnesota the royalty per ton payable to the State of Minnesota on 5,000 tons, the amount of the minimum output prescribed in the State lease of the Missabe Mountain property; and the said lessee shall also pay to the owners of five twenty-fourths of the fee of the Lone Jack Mine their share of the ground rent or advance royalty prescribed in the lease of the Lone Jack property, as now existing.

THIRD: On or before the first day of April in each year the vendee shall notify the vendor in writing of the quantity of ore required by it under this article for the following shipping season, and shall then designate which one or more of the mines hereinbefore named it desires said ore to be taken from, prescribing how much from each. The vendee may at any time change the quantity of ore theretofore designated by it to be taken in any season under this contract from any one or more of said mines, provided the lessee of such mine or mines shall be able to mine and shall in fact mine and deliver to the vendor the amount so designated, and provided further that nothing in this article shall reduce the amount

of ore the vendee is annually required to purchase hereunder.

FOURTH: The vendor will also sell and the vendee will buy during the said periods from the said mines as much ore in addition to the said 1,200,000 tons as the vendee shall require in any year therefrom, provided the vendee shall notify the vendor in writing of such additional requirements on or before the first day of March in the year in question and on or before the first day of April in that year shall designate in writing the particular mines from which the ore is required.

The obligation of the vendee to buy from the vendor its requirements of ore in addition to the said 1,200,000 tons per annum shall be limited by the provisions in that behalf of the Ninth Article hereof.

FIFTH: All the ore sold and delivered under this contract shall be delivered by the vendor to the vendee, free on board docks at regular ports for the delivery of iron ore on the Great Lakes (excepting Lake Ontario), to be designated by the vendee. The vendee agrees that it will furnish proper and sufficient docks and facilities for the discharge, with prompt dispatch, of cargoes arriving at ports of delivery, and will not permit any preference at such docks against the vessels carrying ore of the vendor to be delivered hereunder. And the vendor agrees that deliveries will be made hereunder in approximately equal amounts in each month during the shipping season.

SIXTH: The prices of the ore above mentioned shall be one dollar and thirty cents per ton in addition to the exact actual cost paid by the vendor itself, or paid by it to the miner, for mining the ore in question and the exact actual cost paid by the vendor to the vessel as paid by the vessel to the dock for unloading the said ores at Lake ports of delivery to the vendee in accordance with the requirements of this contract. All royalties to the fee owners, the lessors, or to whomsoever paid or payable, and taxes upon each of the several properties above named and taxes upon the ore therefrom deliverable hereunder, shall be included in the cost of mining ores taken from the properties respectively.

SEVENTH: Payments for ore hereunder shall be made by the vendee to the vendor at its office in the City of New York or such other place as it shall hereafter designate in writing, on the twentieth day of each month for all ore delivered during the immediately preceding calender month, and shall be made in United States gold coin equal to the present standard in weight and fineness, or its equivalent in lawful money of the United States of America. On or before the 15th day of each calender month, the vendor will transmit to the vendee a statement of all the ore delivered hereunder during the preceding calender month, with a designation of the quantities delivered from each of the said several mines and a statement of the cost of mining and the cost of unloading in each case, so as to show in the case of each quantity of ore the aggregate price thereof. For the purpose of fixing such price hereunder, all payments for royalty, exploration, development taxes and other like charges, although made to cover periods longer than one month, shall be included in the cost of mining in the month when such payment shall actualy be made.

EIGHTH: This contract shall continue in force so that the vendor shall be under obligation to sell, and the vendee under obligation to buy, the said ores, so long as the said Oliver Company, its successors or assigns, shall hold the existing leases, or any of them, of the said Mountain Iron, Missabe Mountain, Lone Jack and Ohio properties; provided, nevertheless, that at any time after one year from the date hereof, during the existence of this contract, the vendee shall have the right to surrender and cancel this contract on the first day of January in any year, by giving the vendor written notice of its election so to do at least one year prior to the day upon which the contract is so to be terminated, and by paying all moneys and performing all the provisions on the vendee's part required by this contract up to the date of such termination, including all amounts which would be due hereunder on the following 20th day of January; and provided further that if at any time either party hereto shall make default in respect to some act, promise, stipulation, covenant or agreement in this contract contained on its part

to be done, performed or kept, and if any such default shall continue for thirty days after written notice given by the other party to the one so defaulting, then and in every case the party not in default may terminate this contract by giving notice to the defaulting party of its election to terminate this contract at a date fixed in said notice not earlier than thirty days nor later than six months after the date of the giving of such notice, and by performing up to the time of such termination all the provisions of this contract on the part of the notifying party. Provided, however, that in no event whatever (except in case of such a default by the vendor, of which notice shall have been given by the vendee as aforesaid and which default shall remain uncured) shall the vendee terminate or have the right to terminate this contract, wholly or as to any particular property or ore, unless as a condition precedent thereto the leases to the Oliver Iron Mining Company of said properties, or as to the one or more of them in question, as the case may be, shall terminate at the same moment.

NINTH: It is believed that the mines above mentioned, if developed and operated in a good and workmanlike manner, and in accordance with the requirements of good engineering, will be able to supply the said quantity of twelve hundred thousand tons of ore annually for a considerable term of years.

The vendor is the owner and lessee of various other iron mining properties upon the Missabe Range, and it is believed that the mines above mentioned and the additional mines now referred to (including the Stephens and Norman Mines, the output of which the vendee has bought from the vendor), are of sufficient capacity to supply more than enough ore to meet the requirements of the vendee for Missabe Iron ores for use in its business for a considerable term of years, and if it shall become necessary to do so in order to meet the requirements of the vendee hereunder up to December 1st, 1906, the vendor will endeavor to buy or lease further properties and the vendor will also refrain from selling or offering for sale iron ore from its mines to the extent that may be necessary to enable it to make the deliveries required here-

under. In order, therefore, that the vendee may secure the benefits of this contract it agrees to buy from the vendor from time to time and the vendor agrees to sell and deliver to it at lower Lake ports at current rates existing at the time, all Missabe iron ores which the vendee may require during the existence of this contract, in addition to the ores covered by the preceding articles of this contract, from the Norman and Stephens Mines, including all which may be required by any and all partnerships and corporations in which it shall directly or indirectly hold a majority interest, except only, however, that in any year the vendee may buy or mine any of its requirements for that year in excess of thirteen hundred and fifty thousand (1,350,000) tons from the Sheridan Mine, now owned by the Oliver Iron Mining Company, from property now belonging to the Security Land and Exploration Company, the stock of which Company is now owned by the said Oliver Company, or from the land described in a certain deed from the Diamond Iron Mining Company to Chester A. Congdon, of Duluth, Minnesota, dated December 1st, 1899, or after December 1st, 1906, from mines thereafter acquired by the vendee or the Oliver Iron Mining Company. Provided, always, that if at any time the aggregate minimum annual output required by the existing leases of the Mountain Iron, Missabe Mountain, Lone Jack, Ohio, Norman and Stephens Mines, shall in accordance with the terms thereof, be reduced below thirteen hundred and fifty thousand tons, then, in any such year the vendee may buy or mine its requirements of Missabe ore for that year in excess of such aggregate minimum annual output for the time being from said Diamond lands or from any of said properties now owned by the Oliver Company or acquired by the Oliver Company or the vendee after December 1st, 1906. Provided, further, that if and so far as the vendor shall be unable to furnish the vendee with Missabe ores required by it for the best and most economical furnace practice in the blast furnaces of the vendee, the vendee shall be at liberty to purchase such kind of Missabe ore elsewhere, and provided, further, that the vendee shall always be at liberty to buy in any market manganese and manganiferous mines and manganese and manganiferous ores. Ores containing three per centum or more

of manganese shall be deemed manganiferous or manganese ores. To bring any mine within this proviso the ore body in such mine taken as a whole must average at least three per centum in manganese.

And for the like consideration as aforesaid, the vendee agrees that until December 1st, 1906, it will not acquire, directly or indirectly, in fee or under lease, any properties on the Missabe Range. For the purposes hereof properties acquired by partnerships or corporations in which the vendee shall have or shall come to have a majority interest, or acquired by individuals substantially in the interest of the vendee, shall be deemed to have been acquired by the vendee. For the purpose of this article the Missabe Range is hereby defined as follows: So much of the State of Minnesota as lies South of the North Line of Township fifty-nine (59) and west of the present main line of Duluth and Iron Range Railroad between Two Harbors and Tower.

The violation by the vendee of any provision of this article will give the right to the vendor to terminate this contract forthwith by giving written notice thereof to the vendee in the manner hereinafter provided for the giving of notices to the vendee.

In order to assure the vendee that the vendor will be able to make the large deliveries required by this contract, and to make the same with dispatch and for a considerable term of years, the vendor agrees that during the life of the contract it will not sell or deliver iron ore from the Mountain Iron, Missabe Mountain, Lone Jack and Ohio Mines, except under this contract, and that during the life of this contract as relates to the Mountain Iron Mine, it will not sell or lease the property known as the Aetna Mine, or the Forty Acre tract formerly belonging to the Mountain Iron Company, and lying immediately north of the Aetna Mine, to any competitor in business of the vendee without the vendee's consent in writing, but it may mine and sell ore from the said premises in its discretion. A violation by the vendor of any of the provisions of this article shall give the right to the vendee to terminate this contract forthwith.

TENTH: Neither party shall be liable to the other for

breach of this contract caused by riot, strike, disasters of navigation, accidents at the mines, or by any act of God or of the public enemy, nor shall any such breach entitle the other to terminate it.

Within the meaning of this contract the term "ton" or "gross ton" shall be considered of two thousand two hundred and forty pounds avoirdupois, and the weights named in bills of lading of the railway taking said ore from the mine shall be presumptively deemed correct, subject to correction, but without the customary deduction of one per cent. for vessel bills of lading.

All notices to be given by either of the parties to the other hereunder must be in writing, and if given by the vendor to the vendee must be delivered to the President of the vendee or transmitted through the United States mail addressed to him at the office of the vendee at Pittsburg, Pennsylvania; if such notices shall be from the vendee to the vendor, they must be delivered to the President of the vendor or transmitted through the United States mail addressed to him at the office of the vendor at New York City, New York.

No assignment, mortgage or pledge of this agreement shall be executed, or if executed shall be valid without the previous written consent of the other party hereto; if the vendee should desire to make any other form of transfer, either of the annual right to take ore hereunder, or of a share in its profits on the ore so taken, the same may be made only on the previous written consent of the vendor. No consent to one or more such assignments or other transfer shall be deemed to be a waiver of this provision, but the provisions herein shall apply to all assignments and transfers, and, notwithstanding any and all such assignments and transfers, the vendee itself shall continue responsible during the life of this contract for the performance of all the provisions thereof on the part of the vendee.

ELEVENTH: This contract shall take effect immediately. The parties having already made arrangements with others with respect to certain business for the year 1900, the following exceptions and modifications shall obtain with respect

to the business of the year 1900. Except as thus expressly modified, the contract shall control the business of 1900.

(a) During the shipping season of 1900 all deliveries of ore shall be made at the ore docks of the Duluth, Missabe and Northern Railway Company at Duluth, Minnesota, instead of at Lake Erie ports.

(b) The prices for the ore delivered during 1900 shall in each case be fifty cents per ton less than the prices named in Article Six hereof.

(c) During nineteen hundred the vender may sell ore from the Ohio Mine to others than the vendee up to five hundred thousand (500,000) tons.

This agreement shall bind the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, each of the parties hereto has caused this instrument to be executed in its proper name, by its proper officers and under its seal this day and year first above written.

LAKE SUPERIOR CONSOLIDATED IRON MINES
by F. T. GATES, Pres. (Seal)

Attest:
E. V. CARY, Ass't Sec'y.

Witnesses: GEO. WELWOOD MURRAY
CHESTER A. CONGDON.

CARNEGIE STEEL COMPANY,
C. M. SCHWAB, President.

Attest:
A. M. MORELAND,
Secretary.

Witnesses for Carnegie Steel Company:
OLIVER WREN
F. A. DILWORTH.

(Seal)

• • •

CONTRACT RELATIVE TO "STEPHENS" LEASE

This agreement, made this first day of May, in the year (1900) Nineteen hundred, between the Oliver Iron Mining Company, a corporation organized under the laws of the State of Minnesota (hereinafter called the Oliver Company),

party of the first part, and the Lake Superior Consolidated Iron Mines, a corporation organized under the laws of the State of New Jersey (hereinafter called the Consolidated Mines), party of the second part.

* * *

FIRST: The Oliver Company agrees that so long as said sub-lease from the Oliver Company to the Consolidated Mines is in force, the Oliver Company will not assign, transfer, pledge or surrender said lease made by Henry Stephens and others.

SECOND: Both parties agree to secure from the lessors in said lease made by Henry Stephens and others their consent to the assignment of said lease by the Oliver Company to the Consolidated Mines, in which event the Oliver Company agrees to forthwith assign said lease to the Consolidated Mines, subject to the condition that such assignment shall be void and said leasehold estate shall forthwith revert to the Oliver Company and be thereafter held by the Oliver Company, forever discharged of such assignment:—

(a) If the Consolidated Mines shall at any time make default in respect to any act, promise, stipulation, covenant or agreement in the said contract with the Carnegie Steel Company contained and on the part of the Consolidated Mines to be done, performed or kept, or shall make any default under the covenant hereinafter described and if any such default shall continue for thirty days after the Oliver Company shall have given the Consolidated Mines written notice thereof,

(b) Or if the Railway Company or the Steamship Company named in said contract with the Carnegie Company shall fail to furnish adequate facilities for the shipment and transportation of the ore described in said contract, or shall fail to carry the same in the manner described in said contract and at the rates therein set forth for thirty (30) days after the Carnegie Company shall have given the Consolidated Mines written notice of such failure on the part of the Railway Company or the Steamship Company to receive and carry said ore as aforesaid.

* * *

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed in duplicate by their respective Presidents, and have caused their respective corporate seals to be hereto affixed, and the respective Secretaries of the parties have for the purpose of authenticating the same, signed their names on all the eleven preceding pages of this instrument, all the day and year first above written.

Signed, sealed and delivered
in presence of:

F. J. CRUMP,
CHESTER A. CONGDON.
(Seal)

OLIVER IRON MINING COMPANY,
By HENRY W. OLIVER, President.
Attest: C. D. FRASER, Secretary.

GEO. WELWOOD MURRAY
W. A. JONES
(Seal)

LAKE SUPERIOR CONSOLIDATED
IRON MINES,
By F. T. GATES, President.
Attest: CHAS. E. SCHEIDE, Secretary.

• • •

The following minutes of the Directors of the Carnegie Steel Company (Record, page 1866 to page 1919), are offered in evidence by the petitioner under the foregoing stipulation, dated June 26, 1912 (Volume II, Government Exhibits, page 359), for all purposes for which said minutes are competent and relevant:

Each and all of said minutes are objected to by counsel for said defendants on the ground of incompetency, irrelevancy and immateriality.

At a Meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Monday, April 2nd, 1900, there were present MM. Schwab (President), Peacock, Phipps, Singer, Morrison, Gayley, Clemson and Moreland (Secretary); also MM. W. E. Corey and H. P. Bope. (Mr. Lauder abroad.)

The Minutes of the Meeting of the Board of Directors held March 31st, 1900, were read and, on motion, approved.

Mr. H. P. Bope, as Assistant to General Sales Agent, submitted the following reports:

"April 2nd, 1900.

"We submit herewith a statement, in gross tons, of the total sales of Standard Rails first quality, reported to the New York Committee by the different members of the Rail Association, since October 1st, 1899, including the tonnages carried over as of that date:

Carnegie	479,888
Illinois	599,611
Cambria	115,454
Colorado	54,318
Pennsylvania	166,146
Lackawanna	216,339
Total	1,631,756

* * *

MR. BOPE (In reply to the President):

The Illinois Steel Company is gaining on us in sales of Rails. They have made some recent sales which have put them ahead of us in tonnage to a greater extent than is desired.

MR. SCHWAB: Then there is no reason why Illinois should not make some transfers of tonnage to the Ohio Steel Company. We made an arangement whereby the Rail Association is to give to Ohio 40,000 tons of Rails to make this year and next year we were to consider them as members of the pool, the basis of their membership to be agreed upon later. We shall have to ask Illinois to make the transfers to Ohio, as we are so much under them in sales at the present time. I notice also that we have shipped about all the Ingot orders that we had on our books.

* * *

At a meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Monday, April 9th, 1900, there were present MM. Phipps (Second Vice-President), Singer, Morrison, Gayley, Clemson and Moreland (Secretary). Also MM. George Lauder and H. P. Bope. (Mr. Schwab in Atlantic City; Mr. Peacock in New York.)

* * *

MR. LAUDER: I think it would be foolish to figure for export trade on a basis of the present market prices of Pig Iron, because it is fictitious, being supported by a combination. I think we could arrange with the combination, if necessary, to give us a lower price on Pig Iron used to manufacture Steel for the export trade. We should continue selling for the export trade if the price is at all fair, without giving too much consideration to the market price of Pig Iron.

* * *

MR. PHIPPS: In regard to the consolidation of the Bridge Companies, I expect to be in New York to-morrow and meet Mr. Ladd in regard to the matter. I believe all here are

aware of the fact that J. P. Morgan and Company are looking after the consolidation matter, and it now looks as though the combination was possible. The proposition is to issue $60,000,000.00 Capital at the present time, $30,000,000.00 each of common and preferred stock, the $30,000,000.00 of preferred stock issued will represent the plant values as arrived at by audit and appraisal, and $10,000,000.00 working Capital. Of the common stock $15,000,000.00 will go with the $30,000,000.00 of preferred stock and the other half, or $15,000,000.00 will go to J. P. Morgan and Company as commission. The proposition is to take over the Keystone Bridge Works, plant and real estate, paying therefor $2,000,000 of preferred stock and $1,000,000.00 of common stock, this Company, in common with other manufacturers, to allow Morgan to hold such stock for a period of eighteen months and have a representative on the Board of Directors. They also agree to buy from us 51% of the total amount of materials used by the Bridge Company. A committee consisting of W. H. McCord, C. M. Jarvis, Frank Conger and I. G. Ladd agree to purchase our stock within thirty days after the stock has been actually surrendered by J. P. Morgan and Company, which is eighteen months, and for the performance of this agreement agree to give us as collateral security $675,000.00 of the preferred stock and $750,000.00 of the common stock of the Bridge Company.

MR. LAUDER: I do not see anything at all in the proposition for us to consider. We are only wasting our time in considering a proposition of this sort.

MR. PHIPPS: Mr. Schwab had this matter up, and while I do not say that he has agreed to this proposition, yet it has been considered, and as I am to have a meeting to-morrow with Mr. Ladd, I would like to know what action to take. This proposed consolidation is practically on the same basis as the Tube consolidation.

With the exception of Pencoyd and Lassig all the Bridge Companies are to take stock. I do not know the exact amount that Pencoyd is to receive, but I believe that it is one-half cash, balance in stock. Lassig sells for cash, no stock.

MR. LAUDER: I really do not think that we should even

consider a proposition that does not give us at least the value of the works in cash.

MR. PHIPPS: There is one important point to be borne in mind, and that is that the consolidated Companies will guarantee to buy 50% of their Steel from us at the Market prices.

MR. GAYLEY: What increase in tonnage would we get over what we are getting now?

MR. PHIPPS: I do not know exactly, but I think Mr. Schwab figured nearly 50% more. We promised Mr. Ladd to take this matter up and give him a positive answer. Unless we agree to take stock it is not very likely that the proposition can go through. It has been figured that we can not make any money at the Keystone plant as it now exists and that it would cost at least $500,000.00 to put it in good shape. It has been a question whether we could handle rapid transit work at Keystone to advantage without some very extensive changes.

* * *

At a Meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., on Tuesday, April 17th, 1900, at 12:30 P.M., there were present MM. Schwab (President), Peacock, Phipps, Singer, Lauder, Gayley, Morrison, Clemson and Moreland (Secretary).

* * *

MR. SCHWAB: The Board may remember that when we had this matter up before we had agreed to close on the basis of $500,000.00 cash, balance in securities, and that is the condition of affairs today. I did not agree to take all stocks. After learning that all Companies except Pencoyd and Lassig had agreed to sell for stock, that Pencoyd was to be paid for their rolling mill in cash but for bridge works at appraised value in stock, I told Mr. Ladd, the promoter, that I would take up for consideration his latest proposition of giving us payment in securities alone. I favor the acceptance

of this proposition. It removes Pencoyd's rolling mill department from competition with us; we get one-twelfth in value of all works, a very high price for Keystone, and they take off our hands all contracts and pay us for all materials at Keystone in cash, so we run no risk on contract balances. I told Mr. Ladd at no time that his proposition would be accepted, although in talking the matter over with Mr. Carnegie he strongly favored my accepting the proposition forthwith. Mr. Roberts, of Pencoyd, told me that many of his relatives were stockholders of his Company and that a goodly number of them were women and that as he was forced to look after their interests he did not want to take full payment in securities, although so far as he himself was concerned that he would do so, but wherever estates were affected he would settle for cash. If we take stock and should get only $20,00 (*sic*) per share for our stock we would get all that Keystone is worth. We would have to make some very extensive improvements at Keystone if we expect to do good work and make money on it. I favor selling for securities and Mr. Carnegie and Mr. Henry Phipps, whom I talked with in New York last week, have given their assent, and it is now a question for the Board to act upon.

• • •

At a Meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Monday, April 23rd, 1900, there were present MM. Schwab (President), Peacock, Phipps, Singer, Lauder, Morrison and Moreland (Secretary); Also Mr. Henry Phipps. (MM. Gayley and Clemson in New York City.)

• • •

MR. PEACOCK: Nothing new to report today. The very heavy reduction made in prices by American Steel and Wire Company, amounting to one cent per pound, is the subject of much speculation as to its effect upon the Iron and Steel trade generally, and we may perhaps have to confront some reduc-

tions ourselves, although we are still holding out for the higher prices. We are to have a meeting of Billet Makers and Pig Iron Association in New York tomorrow, and it is my judgment that we should vote for the maintaining of prices. We are practically protected by Associations on everything except plates and if a reduction was made in the price of Pig Iron and Billets by Associations it would certainly cause us not only great trouble to secure specifications on high priced contracts, but no doubt some losses by adjustments in prices as well on business booked. Plates is a bad factor in the market, just now selling as low as $1.65.

* * *

MR. LAUDER: The great mistake of the wire people was the publicity given to their acts. Reduction in price and shutting down of works being announced rather dramatically and I feel that a Congressional Committee will take up for investigation. It is the wrong way to conduct a business through the newspapers, as the wire people did. They will not be the only ones to suffer. I believe extensive inquiries will be made, and so believing I would not stand in the way of a reduction if the Pig Iron Association desires to make one. The wire people are aiming to get a reduction in price of Billets and we do not know what they will do next.

* * *

At a Meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., on Monday, April 30th, 1900, there were present MM. Peacock (First Vice-President), Lauder, Singer, Phipps, Morrison, Clemson and Moreland (Secretary). (Mr. Schwab abroad; Mr. Gayley in New York City.)

* * *

Mr. A. R. Peacock, as General Sales Agent, submitted the following reports:

"April 30th, 1900.

"We submit herewith a statement, in gross tons, of the total sales of Standard Rails, first quality, reported to the New York Committee by the different members of the Rail Association since October 1st, 1899, including the tonnage carried over as of that date:

Carnegie	483,904
Illinois	604,691
Cambria	121,735
Colorado	59,319
Pennsylvania	169,926
Lackawanna	219,347
National	2,050
Total	1,660,972

* * *

MR. PEACOCK: At the meeting of the Billet Makers, held in New York City last week, every one present stated positively that prices should be maintained, at least for the present. The Pig Iron Association people were on hand at the meeting and they also approved of this action, believing that no reduction should be made now. We find that the action of the American Steel and Wire Company in making a reduction on their products has unsettled the trade in Europe a great deal more than at home. I doubt very much whether we can sell anything at present above $25.00 per ton at our works. The question is whether or not we should make a reduction. Hinsiker (*sic*), our Agent, asks for advice. We instructed him not to sell below $26.50.

* * *

MR. CLEMSON: I have nothing further to report than that a contract with the Rockefellers will be closed this week. Mr. Gayley informed me today that the fundamental features of the contract have been approved by the Rockefellers. I will go to New York tonight to meet Mr. Gayley and attend conferences with the Rockefeller representatives.

* * *

At a Meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., on Tuesday, May 8th, 1900, there were present MM. Peacock (First Vice-President), Lauder, Phipps, Morrison, Clemson and Moreland (Secretary). (Mr. Schwab abroad; Mr. Singer and Mr. Gayley in New York City.)

* * *

MR. PEACOCK: The statement comparing status of business May 4th, this year, as against May 5th of last year, answers the inquiry of Mr. Lauder at the last Meeting, and I don't think it is a bad showing, considering that for several weeks past we have not been able to book much new business on account of trade holding off, waiting, apparently, for a reduction in price, which seems to be anticipated and expected by everybody. It seems to me that we confront times that make it rather hard to say what it is best to do. The Billet Association price of $35.00 is on Bessemer quality. This leaves Open Hearth open, and if a cut is made on Open Hearth Steel a reduction equal to it, it seems to me, will have to be made on Bessemer. The arrangement covering Billets is based upon a mere understanding to maintain prices. There is no formal agreement or penalty. I do not believe that we could get Billet Makers to agree to a reduction in price at the present time. At the last Meeting they were strongly in favor of maintaining prices. I am informed that Jones & Laughlins have about half their plant closed on account of insufficient orders and the National and Federal Steel also have some of their mills closed. I would not reduce prices now; would wait a couple of weeks or till the situation clears a little more or till we know more exactly the effect of the action taken by the American Steel & Wire Co., which is spoken of generally, of course, as disastrous, but the effect, so far as the future is concerned, if the pools hold together, is, in my opinion, somewhat doubtful. Much depends upon the action taken by the members of the Asosciation individually. If all agree to maintain prices, it helps us on high

priced business that is now being specified for early shipment.

• • •

At a Meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., on Wednesday, June 6th, 1900, there were present MM. Schwab (President), Peacock, Phipps, Lauder, Singer, Morrison, Gayley, Clemson and Moreland (Secretary).

• • •

SALES OF PRODUCTS.

MR. SCHWAB: While this matter has been talked over informally I would report officially the arrangement made with the other Steel Companies at a meeting held this week. Pig Iron was reduced to $20.00, Pittsburg and Bessemer Billets to $28.00, Pittsburg. The opinion of all the manufacturers, as expressed at the Meeting, was that these prices would enable Pig Iron and Billet consumers to dispose of their finished products. We agreed to this price for a time, and if, in the course of a month or six weeks it should develop that business was retarded on account of the price, we would call another meeting and arrange for a further reduction. We have such a large tonnage on our books at high prices that all members of the Board are agreed that the reduction should be made gradually. I think that we all agree also that prices will have to be reduced further, but that if the prices were forced to rock bottom at once it would jeopardize the high priced tonnages already on our Books.

• • •

At a Meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., on Tuesday, June 12th, 1900, at 12:30

o'clock P. M., there were present MM. Schwab (President), Peacock, Lauder, Singer, Morrison, Gayley, Clemson and Moreland (Secretary); also Mr. W. W. Blackburn. (Mr. L. C. Phipps in New York City, en route abroad).

The Minutes of the Meeting of the Board of Directors held on Wednesday, June 6th, 1900, were read and, on motion, approved.

SALES REPORTS.

Mr. A. R. Peacock, as General Sales Agent, submitted the following reports:

'June 12th, 1900.

'We submit herewith a statement in gross tons of the total sales of Standard Rails, first quality, reported to the New York Committee by the different members of the Rail Association since October 1st, 1899, including the tonnage carried over as of that date:

Carnegie	489,652
Illinois	597,772
Cambria	126,499
Colorado	60,944
Pennsylvania	188,310
Lackawanna	224,392
National	12,050
Total	1,699,619'

• • •

SALES OF PRODUCTS.

MR. PEACOCK: The only change in Association Rail Report is the transfer of 10,000 tons by Illinois to National Steel Company.

• • •

MR. SCHWAB: As near as I can find out there is no new business coming up in the Pig Iron or Steel business. All manufacturers that I have talked with tell me they have nothing to do and that things are too rapidly approaching a standstill. We should determine what to do on Structural Steel.

We are to have a Meeting of Association on Friday of this week. What reduction should we agree to make?

MR. LAUDER: Would reduce on the same ratio with Pig Iron. Our policy, I believe, is to reduce gradually but we must see that a reduction is made in prices every now and then.

* * *

MR. SCHWAB: We shall very soon have to decide the question of whether or not we shall continue in the Rail Association. In a few months the sales of Rails will begin. I do not think that we can get the same percentage that we got before. The National Steel Company will want ten or twelve per cent. If such a request was granted it would reduce us from 30 per cent. to, say 26 per cent. We could not run full on such a percentage unless we could secure a goodly tonnage of foreign business. I do not believe that there will be as many Rails sold next year as have been sold during the last two or three years, and if such is the case it is a question whether we should be in the Association again, especially in view of the fact that if the Association continues, we shall have to take a lesser percentage.

MR. LAUDER: I would suggest that you get a full expression of opinion from the senior members as to whether we should continue the old agreement or make a new one.

MR. SCHWAB: I have already taken such action, but I also want the members of the Board to think about the matter to the end of getting their opinions also.

* * *

MR. GAYLEY: We will have another meeting with Mr. Gates this week. Judge Reed and Mr. Congdon have been working on the agreement. They think that we can exchange the guarantee clause in the Rockefeller agreement if they give the right to nominate The Carnegie Company as the successor of the limited partnership as the owners of the Oliver Iron Mining Company stock. They say that it would not affect our case in any way if we did this. It is not our intention to concede anything and we would take no action that our lawyers would not approve of. We were hopeful that we could close this matter up early but every time we arrange

a basis of settlement and papers are written Mr. Gates' lawyer will not approve of them. They sent a paper on the other day which was not acceptable to our attorneys and we wrote another agreement and sent it on to Mr. Gates and told him that we did not desire to keep on exchanging papers in an indefinite manner forever and that we would like to get down to business. I think, however, as time goes on, we do not injure our position any.

MR. SCHWAB: I think that times are more favorable for us now than they were before and if we fail to make an agreement I would prefer to have the matter stand exactly on the same grounds as it did before negotiations, as I believe it of some importance that we concede nothing. If we have to fight and they cancel their leases, can we get ready next year to mine sufficient ore from our own properties to take care of our business?

MR. GAYLEY: I am quite sure that we could easily mine enough ore from our own properties to take care of our business next year, if we fail to make an agreement with Mr. Gates, and I believe it should be our policy to state our position to them positively that if they do not want to close up a fair agreement with us that we stand ready to go it alone.

* * *

At a Meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., at 12:30 P. M. on Monday, June 25th, 1900, there were present MM. Schwab (President), Peacock, Singer, Morrison Gayley, Clemson and Moreland (Secretary), also Mr. W. W. Blackburn. (Mr. Lauder in New York; Mr. L. C. Phipps abroad).

The minutes of the Meeting of the Board of Directors held on Tuesday, June 19th, 1900, were read and, on motion, approved.

* * *

MR. SCHWAB: From what I see and from what I learn things look a little better; I feel that the buyers will begin

to place orders shortly; I have been figuring on Structural Steel and I find that we have taken 56% of the business in the United States during this year.

ORE SALES.

MR. GAYLEY: It is customary for the Ore men to bring down and store on the Docks a greater tonnage of Ore than the actual sales for the season. That is to say, at the present time the consumers have not purchased all of their requirements and frequently they do not do so early in the season, depending on the Ore Companies bringing enough Ore down to supply their wants if they should desire to buy later on. In this way the consumer runs no risk in times like the present when Ore prices are high. I have talked with some of the Cleveland people about the limiting of mining to actual sales, and particularly with Mr. Samuel Mather and he informs me that he thinks it is an excellent proposition. For example, I am informed that some of the furnace men have only bought about three-quarters of their Ore requirements. The Ore Association people intend to have a talk with Judge Gary, in New York, and see if we can not make an arrangement whereby no more Ore would be brought down to the lower lake ports than is sold. I would like to know if it will be right for the Oliver Iron Mining Company and the Carnegie Steel Company to join in such an arrangement to make it effective, agreeing not to sell any of our Ore reserves. I think it would be well to make a formal agreement; we do not want to sell any of our Ore reserves; if we made such an arrangement as this we could assist in the keeping up of prices but would in no way hurt ourselves. We can mine all the Ore that we require, and the only point is in the selling of it, and if business picks up in the fall or the early spring some of the furnace people will be caught short of Ore unless they come in and buy their full requirements at the present time.

MR. SCWAB: I do not see any objection to the proposed agreement.

After some further talk the President announced that it could be recorded as the sense of the Board that the Oliver

Iron Mining Company and the Carnegie Steel Company were willing to enter into an arrangement as reported by Mr. Gayley.

* * *

At a Meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., on Tuesday, July 3rd, 1900, at 12:30 P. M., there were present MM. Schwab (President), Peacock, Lauder, Singer, Morrison, Gayley, Clemson and Moreland (Secretary); also Mr. W. W. Blackburn. (Mr. L. C. Phipps abroad).

* * *

MR. SCHWAB: Business has reached a stage that makes it impossible to maintain the prices on Billets. Rails and structural steel, I believe, can be maintained; the question of policy in these instances has to be considered. I think it is safe to predict that the Pig Iron makers and the Billet makers will not long desire to maintain prices. Mr. Butler, of the Pig Iron Association, informs me that they have sold practically no Pig Iron for the past two months. His idea of the price is $15.00 in the valley, and he thinks also that such a reduction would bring out plenty of business. We are to have another meeting with the Billet makers, but I feel quite certain that it will be impossible to hold the parties together and maintain the prices. One firm, a small one, has positively stated to me that it will not agree to any fixed price on Billets. I think it should be our preference for a small firm to take this stand rather than ourselves. I think we have carried the Billet association along just as far as we can. Plates and Bars, as you are all aware, already have an open market.

* * *

The following communication from Mr. Andrew Carnegie, dated Skibo, June 20th, 1900, and addressed to the President, was read:—

"Yours of June 8th received; the situation is interesting and grave. Your remark in the Minutes of 6th 'There is question of course that if the business is left open and associations done away with that we can get our full share of the business and sufficient to keep our mills going at full speed. We should think seriously upon this point' goes to the point. In the former depresssions we announced our policy, viz: take all the orders going and run full. Our competitors believed we meant what we said and this no doubt operated to clear the field. One after the other dropped out; finally Pennsylvania Steel dropped out and only a few remained who could meet the lowest prices.

We averaged $4.00 a ton profit on all our product in the worst of times.

I concur in the policy you are pursuing, trying to keep prices up as high as practicable owing to the large number of high priced orders on the books yet unfilled. But it is probable you will be met by the problem before long whether to do as we did before or to continue co-operating with others trying to keep up prices. I am inclined to think that in regard to Rails you may be able to do this although Cleveland and perhaps other mills will interfere and even with rails it may be our best policy to meet low prices and run full; structural steel, probably one half of all the steel made, at tolerable prices would be better than a large amount at lower prices and it would be a pity to disturb an agreement that has worked so satisfactorily. In plates and all other things except these, I can see nothing for it but the old policy: Take the orders.

I notice that the American Steel Hoop Company are taking only 3,000 tons per month from you. That should be stopped or we should go into making their product promptly.

In my opinion the sales department is censurable for permitting Illinois to get so far ahead in rail orders. No excuse whatever for not having our rail agreement lived up to. It will cost far more friction you will find to get the inequality redressed than to have kept it from arising. I think no point needs more close watching than the division of sales and I am sorry to have to express the opinion that the sales

department has not attended to this matter with the care and ability that we should have in that department.

I would not buy the site we had in view for the Pipe Works, even for the price we offered. We can get a site much cheaper directly; we seem in for a period of depression but I believe it will not be prolonged and that the country and the world is going to take a great deal of steel, enough perhaps to keep the best situated manufacturers going fairly well, but not enough to induce the small, inefficient people to run.

* * *

The following communication from Mr. Andrew Carnegie, dated Skibo, June 22nd, 1900, and addressed to the President, was read:

"Before receiving yours of the 8th I had written you that I thought we would have to prepare to make hoops, etc. My advice is to go ahead; lose not a day; let your response to the action of the Hoop Company be such as will not only give them but others a lesson, which I am sure we will have to give sooner or later. I do not think that there are many customers for rods remaining and believe that if there are they will not exist for a long time. We should not go into rods as I see it unless we also go into wire. No use going half was across a stream; should aim at finished articles only; it is coming to this in all branches."

Mr. Schwab: I have already expressed my views on the matter of rails referred to by Mr. Carnegie. For myself I do not see that there is anything left for us to do but to build a hoop and a wire mill. The American Steel & Wire Company have served notice on us for cancellation of their contract with us. The American Steel Hoop Company are buying but little from us. With the loss of customers that we have sustained it will leave us in a position to have no four inch billets to make. There does not seem to be any other place at present to place them. The contract with the Union Steel Company would not prevent us from going into the wire business. It is very doubtful indeed whether they would take a full tonnage from us. It looks very much as

though we would have to put our steel into the finished article; we formerly sold to the constituent companies of the American Steel & Wire Company and the American Steel Hoop Company from 30,000 to 35,000 tons of billets per month. We have done all that we can to endeavor to get them to take their tonnage from us but so far we have been able to accomplish nothing. I do not see how we can stop at wire rods; I think we shall have to finish the wire and nails because there are no customers for wire rods at the present time. We have figured that a hoop mill will cost about $800,000.00, a rod mill about the same amount and a mill to make barbed wire and nails would cost about $1,000,000.00, or a total expenditure to go into the hoop and wire and nail business, about $2,500,000.00.

MR. CLEMSON: I do not see that we have any choice in the matter. If we cannot sell our Billets we shall have to make the finished products.

MR. GAYLEY: I think that we shall unquestionably have to meet the issue.

* * *

At a Meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., on Monday, July 9th, 1900, at 12:30 P. M., there were present MM. Schwab (President), Singer, Morrison, Gayley, Clemson and Campbell (Assistant Secretary). Also MM. W. W. Blackburn and H. P. Bope. (Mr. Peacock in New York; Mr. Phipps abroad; Mr. Lauder absent, account illness; Mr. Moreland in New York).

* * *

MR. SCHWAB: As arranged, I met the Steel people again but we could not agree about prices; there is a manifest disposition to restrict the output of Pig Iron; National and Federal agree to close down some of their furnaces. Have any inquiries for Billets developed?

* * *

ORE; AGREEMENTS, GENERAL.

President Schwab at this point impressed on Mr. Gayley the necessity of seeing that Mr. Oliver did not make any contracts that had not first been acted upon and approved by the Board; all agreements should be carried out in strict accordance with the instructions of the Board. Mr. Gayley assured the President that he would see that no unauthorized actions were taken and that Mr. Oliver was disposed to keep in line.

SALES OF PRODUCTS.

The following communication from Mr. Andrew Carnegie, dated Skibo, 26th June, 1900, and addressed to the President, was read:

"You are face to face with the great question, the parting of the ways; the country cannot take the product of the steel works.

"Are we to decide that we will take the business at the best price possible and run the works full, independent of all other concerns, managing our business in our own way, or are we to take percentages of the business with these and try to maintain prices.

"First, as to Rails: you will probably have Cleveland, you know you will have the National, and I see that the Tennessee Coal and Iron has taken orders for 70,000 tons of Open Hearth and announces that it is going into rails. My opinion is that whatever temporary advantage might accrue from percentages, which would restrict our running; our property will be worth far more years hence by deciding that come what may we shall run full as long as there are orders in the market. You know that we can run full and have a margin of profit.

"I do not favor disturbing the Structural Steel Pool as long as we get present percentages; nor the rail pool if we could obtain present percentages, but I think in the latter case it is impossible to do this.

"I have already stated my opinion that you should go promptly to work to make hoops and cotton ties. We knew

that reaction would come sooner or later. We know what we did before and how well we came out and I agree with Mr. Lauder entirely that no consideration would induce me to not take orders to keep our furnaces going. "I am disappointed that last Minutes say nothing about the Illinois Steel Company being 108,000 tons ahead of its division; that is, they owe us 50,000 tons at $20 per ton profit, one million dollars. What is the use of making agreements if they are not looked after? What are all the petty economies that can be made at the mills compared to a loss of this kind, incurred simply because the Illinois Steel Company was not held up to its agreement? The probabilities are now that at the best we will not be able to get our proper amount. Not a day should be lost, however, in calling upon the Illinois Steel Company to transfer to us 50,000 tons, which is due us even after giving the 40,000 tons to the National Steel. You can probably force them to do so now but shortly you will not be able to do so.

IMPROVEMENTS; HOOP, WIRE AND NAIL MILLS.

The following cablegram from Mr. Andrew Carnegie, dated Clashmore, July 7th, 1900, addressed to the Board of Directors, was read:

"My recent letters predict present state of affairs; urge prompt action, essential; crisis has arrived, only one policy open; start at once hoop, rod, wire, nail mills, no half way about last two. Extend coal and coke roads, announce these; also tubes. Prevent others building; not until you furnish most staple articles can you get business among them sufficient to keep mines and furnaces in full operation; should also run boats Conneaut to Chicago, even if costs are high. Never been time when more prompt action essential, indeed absolutely necessary to maintain property. It will be made poor affair if failure now when challenged; have no fear as to the result, victory certain. Spend freely for finishing mills, railroads, boat lines. Continue to advise regularly by cable.

MR. SCHWAB: I replied to Mr. Carnegie that all parties favor hoop and cotton tie proposition except Mr. Lauder, who, while in favor of it also, thought we ought to hold off, deferring action.

I had hoped to have the matter of building hoop, rod, wire and nail mills discussed and acted upon at this meeting but as a number of the members of the Board of Directors are absent today, we will postpone definite action until the meeting next week. However, I do not think there are any two ways about it; we must go into the business. Pending final decision we will proceed to get the bids on the engines so that no time may be lost.

MR. BLACKBURN: We are progressing, anyway.

MR. SCHWAB: We are not losing a day.

* * *

MR. GAYLEY: I presented to the Ore men in Cleveland the proposition not to sell our surplus ore. They held a meeting in Cleveland last week to consider this suggestion and they have advised me that it appealed to them favorably. We were to have held a meeting in New York last Friday but on account of the heat it was postponed. We expect to have one in New York or Cleveland in about two weeks. Pending that meeting Mr. Mather advised me that they would work together on that basis.

MR. SCHWAB: I suppose a great many furnaces have not contracted.

MR. GAYLEY: Furnaces have so far only purchased 70% of their requirements, as estimated early in the season.

MR. SCHWAB: Who are the Valley Furnace Association going to sell Iron to?

MR. GAYLEY: They have a limited market in the present situation; they may make more foundry iron.

MR. SCHWAB: I think the valley people will agree to blow out a number of their furnaces.

* * *

At a Meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., on Monday, July 16th, 1900, there were present MM. Schwab (President), Lauder, Singer, Gayley, Morrison, Clemson and Moreland (Secretary); also MM. W. W. Blackburn and H. P. Bope. (Mr. Peacock in New York; Mr. Phipps abroad).

* * *

MR. GAYLEY: I do not see that we would gain any advantage by going into rods, for the reason that we would not find a consumer for them any more than for billets. I would rather take up the tube business; why could we not do this and use our mills at Duquesne for the purpose?

MR. SCHWAB: We could not use the Duquesne Mills for tubes; it will require a separate plant to handle them. The whole question is that we have from 35,000 to 40,000 tons of steel that has been going into such products as rods, wire, nails, hoops, etc., and our mills are constructed for supplying the same. Now we cannot sell the tonnage. Should we finish it? We are talking of a Bessemer plant and of billet mills.

MR. GAYLEY: I understand the question. I presume that we will have to finish the product but I would not favor going into rods. I would make the finished article.

* * *

MR. SCHWAB: If we want to drop back into an old fashioned way of doing business I want to be counted out of it. We already have Mr. Carnegie's approval, by letter and by cable.

MR. CLEMSON: I do not see any reason for postponing until September.

MR. LAUDER: I would not want to go ahead with these improvements until I see Mr. Carnegie and have a talk with him.

MR. SCHWAB: I do not see how we can defer any longer; it simply means the shutting down of Duquesne, The Ameri-

can Steel and Wire and the American Steel Hoop Company say that they are not going to buy billets from us. We have got to adopt some means to take care of our raw materials. To say that we are going into the business will not bring out a contract; that time has passed. I am very willing, indeed, to have myself placed on record as stating that it is decidedly wrong to defer.

MR. GAYLEY: I think we are committed to go into the wire business.

MR. LAUDER: I move that we postpone the authorization of the improvements contemplated at Duquesne until the middle of September.

Mr. Gayley seconded the motion.

A vote was taken, with the following result: Lauder, aye; Singer, aye; Schwab, no; Moreland, no; Gayley, no; Clemson, no; Morrison, no; The President announced that the motion was lost.

MR. SCHWAB: It seems to me that it is perfectly clear that we have the positive approval for these improvements from Mr. Carnegie. We have incorporated in the Minutes of the last meeting his letter of 26th June which was followed by cablegram of July 7th, both of which strongly advocate our going ahead with the improvements. I think we might as well decide now as six weeks later.

* * *

MR. MORELAND: I would suggest that we consider the propositions separately; that is, take up the Wire and Nail plant and then follow with the Hoop plant; I am not prepared to answer for the latter today.

MR. SCHWAB: Very well, we will do that, and I would state that the question I wish to have decided by the Board now is whether or not we will appropriate $1,400,000.00 for the Rod, Wire and Nail plants to be built at Duquesne Steel Works, in accordance with the plans we have made.

On motion (MM. Morrison and Gayley), the expenditure of $1,400,000.00, for the erecting and building of a Rod, Wire and Nail Plant at the Duquesne Steel Works was authorized: the vote being as follows: Schwab, aye; Singer, aye; Morri-

son, aye; Moreland, aye; Gayley, aye; Clemson, aye; Lauder, no. The President announced that the motion was carried.

• • •

At a Meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., at 12:30 P. M. on Tuesday, July 31st, 1900, there were present MM. Schwab (President), Peacock, Phipps, Singer, Gayley, Clemson and Moreland (Secretary). Also Mr. J. E. Schwab. (Mr. Lauder in Marquette, Michigan; Mr. Morrison abroad).

• • •

MR. SCHWAB: Mr. Hill of the Great Northern told me some time ago that he contemplated purchasing 10,000 tons of bridge steel but that he would wait until the price reached 1.50 per pound. Such talk as this has confirmed me in the belief that we could get a pretty good tonnage at this figure.

MR. PEACOCK: That price would give the American Steel & Wire and the Republic a chance to take the angle business. They have been quoting on angles 1.25 for the sizes covered by the pool agreement and for angles under 3 inches not covered by pool agreement almost everybody is quoting 1c per pound. It makes it rather difficult for us to sell under such conditions and keep agreement.

MR. SCHWAB: I will have a meeting of the structural steel men called at once and we will go over the situation and see what can be done.

• • •

ORE, SUPPLY.

MR. GAYLEY: Last week at a meeting of the ore association the question was brought up of bringing down only the ore required to meet the sales. It was the unanimous opinion that we should work on that plan until September and we would then have another meeting and see whether or not we would continue it. In regard to old range ores, we are the

only producer, with perhaps one exception that can produce more ore than we have sold this year. We can produce 1,000,000 tons more than our sales or our requirements. As far as I can learn the other producers can not produce as much as they have sold; an argument like this, presented to the ore association, I think, would keep it intact. They would have no object in breaking away and for this reason I think that prices will hold and that the matter of holding the prices is very largely in our own hands. The ore association only has the Mesaba ores to sell and the old range ores being far more marketable, if there was a reduction in price they would be taken in preference to any other. I did not explain our position to the ore association, believing that it was better to reserve such a statement until our next meeting, everything being so agreeable at the last one.

* * *

The following communication from Mr. Carnegie, dated Skibo, July 11th, 1900, addressed to the President and Board of Directors, was read:

"Confirming my wire upon the situation let me say that all is coming just as expected. There is nothing surprising; a struggle is inevitable and it is a question of the survival of the fittest. For many years we have seen that the manufacturer must sell finished articles. One who attempts to stop half way will be crowded out. We have a great advantage over others, running non-union, but I do not believe that we shall be allowed to run non-union peaceably unless we give our men steady work; unless we run when others stop as we did for some years previous to the boom. The result of our decision to take orders and run was a great triumph and has given us the position we occupy. I think our policy should be the same again.

We need to manufacture hoops, cotton ties, steel wire, nails, tubes, perhaps other things later as we go on. Whenever we do so we have the big trusts at our mercy. Temporary arrangements, understandings may be arrived at then, but we should place little dependence upon them. Our safety lies in being independent and running our business in our own way. The agreement that our versatile President made in structural was a triumph, think it fair and it may last some

time, although you will find that big profits in structural will tempt others into it just as rails are doing. I note that the Tennessee Company has taken orders for 70,000 tons of rails next year's delivery, open hearth steel. You may be able to combine for a year and make an arrangement for rails that will be profitable, upon the whole, filling up with billets or something else. No objection to this; but the main rule holds, notwithstanding the exception, that we should give our men steady work if there are orders in the market.

The greatest blow we have received is in the rise of railway rates and we should address ourselves to rendering these impossible. There is no reason why we cannot ship to Conneaut and to western points by boat from Conneaut and I would spend a good deal of money and a good deal of attention upon this. The mere fact that you begin shipping in that way by boat will bring railroads to their sense. I also think that something can be done shipping by Erie Canal from Conneaut. I think the Lorain or somebody else put a line of boats upon the Erie, and I know that a paper manufacturer of Erie does all his transportation by line of boats, which he tells me costs him about 75 cents per ton. One shipment to New York by canal would give your railroad friends much anxiety.

"In the case of tubes which are transported long distances, if we cannot get a river location we should get a lake one. The lakes, with the Erie canal, which is bound to be improved, will give an establishment there an enormous field for tubes. I think Pittsburg with the improvement of rivers bound to be the best place, but not much better than Conneaut. Indeed for tubes the latter may command more trade, having the lakes and the Erie canal, than even Pittsburg with its Western rivers, because I understand the crowded east requires a great deal of tubes.

"Briefly, if I were czar, I would make no dividends upon common stock, save all surplus and spend it for a hoop and cotton tie mill, for wire and nail mills, for tube mills, for lines of boats upon the lakes for our manufactured articles and to bring back scrap, etc.

"Of course we should go forward with our coal and coke roads at once, when we can deliver coke not only at Pittsburg,

but to the New York and Erie, Nickle Plate and Lake Shore, we shall have a profitable business and I believe shall be able to clear the transportation of our coke out of the profits we shall make directly and indirectly in having our coke to distribute among all lines. I know that you will see the importance of first getting the right of way very quietly and of not speaking until you have secured this.

"This is a crisis which can be used to enhance the value of the property or which, not being properly used, will depreciate it. You have only to rise to the occasion, but no half way measures. If you are not going to cross the stream do not enter at all and be content to dwindle into second place. Put your trust in the policy of attending to your own business in your own way and running your mills full regardless of prices and very little trust in the efficacy of artificial arrangements with your competitors, which have the serious result of strengthening them if they strengthen you. Such is my advice."

* * *

At a Meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., on Monday, August 6th, 1900, there were present MM. Schwab (President), Peacock, Lauder, Singer, Clemson and Moreland (Secretary). Also MM. J. E. Schwab, D. G. Kerr and W. W. Blackburn. (Mr. L. C. Phipps at Spring Lake Beach, N. J., Mr. Gayley at Magnolia Beach, Mass.; Mr. Morrison abroad).

* * *

RAIL POOL.

MR. SCHWAB: In view of the fact that Mr. Lauder is going away and will be absent for some time and we would like to have his views on whether or not the rail pool should be continued.

MR. LAUDER: I am not sufficiently familiar with the statistics to give an opinion off-hand. I am sure I would not favor the organization unless the price is lowered considerably.

Based upon $16.00 Pig Iron, Pittsburg, I think that $25.00 would be a fair price for rails.

MR. SCHWAB: Would you favor continuance of pool agreement on $25.00 Rails even though we would not get sufficient tonnage to run works to their full capacity?

MR. LAUDER: I believe I would favor the maintaining of a Rail pool. It is rather early to give an opinion, as times may change at or before the time this matter is brought up for settlement.

* * *

At a Meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., at 12:30 P. M. on Tuesday, September 25th, 1900, there were present MM. Schwab, (President), Peacock, Phipps, Gayley and Blackburn; also MM. Dickson and Bope. MM. Lauder, Singer and Morrison abroad, Mr. Clemson at Scotia.

Minutes of the previous Meeting were read and approved.

SALES REPORTS.

Mr. A. R. Peacock, as General Sales Agent, submitted the following reports:

"We submit herewith a statement in gross tons, of the total sales of Standard Rails—first quality—reported to the New York Committee by the different members of the Rail Association since October 1st, 1899, including the tonnage carried over as of that date:

Carnegie,	498,389
Illinois,	512,370
Cambria,	170,762
Colorado,	86,308
Pennsylvania,	187,132
Lackawanna,	234,787

National, ...	38,663
Total,	1,728,411

* * *

MR. SCHWAB: I would like to report that at the meeting of the rail manufacturers last week, we agreed upon a division of the business, and practically the same conditions as existed during the past year. We have had to take in the National Steel Company, giving them ten per cent., of the rails sold, to be deducted *pro rata* from all the other members. The price of rails was fixed at $26.00 per ton.

At a Meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., on Thursday, October 4th, 1900, there were present MM. Schwab (President), Peacock, Phipps, Clemson, Gayley, and Blackburn; also MM. Dickson, Corey, J. E. Schwab and Bope. MM. Lauder, Morrison and Singer abroad.

Minutes of the previous Meeting were read and approved.

* * *

GENERAL CONDITIONS.

MR. PEACOCK: I have nothing new to report. The market is in about the same condition as last week. The Railroads appear to be in no hurry to place rail orders for next year. There are some matters yet to be adjusted by the Rail Committee, such as giving us the privilege of adjusting freights, where necessary, which we have heretofore had.

The National Steel Company is in a somewhat more favorable position as to freight rates than ourselves, if we have to add full tariff rates to our mill price. I think that can be adjusted during the next week.

* * *

Rails.

Mr. Schwab: I would like, in connection with Mr. Peacock's remarks, to discuss the rail situation. The Rail "Pool" decided that $26.00 was about the proper price for rails this year, which conclusion was reached after having had the advices of a great many Railroad Presidents that they were satisfied to pay $25.00 or over. Most of them said $25.00. One went as high as $28.00—Mr. Newman of the Lake Shore. From all we can learn our price is being badly received by the Railroads, with the claim it is too high.

There is a meeting of the rail people to-day which I could not attend. Judge Gary has reported they were seriously considering putting the price lower, and has asked my advice. My opinion is that at this time it would be a serious matter to change the price. The other people have no rails to make, while we have, and they are, naturally anxious for orders.

My recommendation is, therefore, that we stick to the price we have fixed, at least until after election, and then make a reduction if it is found necessary to do this. I have information this morning, although not directly confirmed, that the Railroad Presidents had a meeting yesterday and decided they would not pay over $22.00 per ton.

If the Board is entirely satisfied, I will act on the policy of holding to our price, at least until after election.

Mr. Peacock: I would hold the price for the present. I do not say until election as we can not tell what will happen between now and then. While I was in favor of $25.00, I do not believe a reduction to this price would do any good to-day. I think we will have to go below $25.00.

Mr. Phipps: I would not favor making any change to-day. A reduction at this time would have to be a radical one, and would further be an admission that a mistake had been made in endeavoring to establish too high a price. If we can hold off until say thirty days, if a lower price is necessary, I think a moderate reduction will satisfy the Railroad people.

* * *

At a meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., on Thursday, October 11th, 1900, there were present MM. Peacock, 1st Vice President, Phipps, Morrison, Clemson, Gayley, and Blackburn; also MM. Corey, Dickson and Bope. Mr. Schwab in Washington; MM. Lauder and Singer abroad.

* * *

(p. 258) MR. PEACOCK: In the absence of the President I would say that he has succeeded in arranging rail matters with the Colorado Fuel & Iron Co., so that there will be no break in the rail agreement at present.

I believe, also, that the right has been given to us to equalize freight rates with the other mills.

In general the roads do not seem anxious at all to buy rails. I think they are waiting until the election is over. There has been a great deal of talk in the newspapers about the rail agreement, but I am satisfied it has not come from the Railroad Presidents.

* * *

CONTRACT FOR SLABS WITH LA BELLE STEEL COMPANY:

MR. PEACOCK: I have a negotiation on hand with the La Belle Steel Company of Wheeling, which is very largely engaged in the manufacture of pipe. They buy slabs, rolling the plates themselves. They will probably require 6,000 tons per month, although the contract, if made, could be for their requirements, or, for a maximum quantity with the privilege to us of taking any additional quantity under the terms of the contract. They now have a contract with the National Steel Company for 1500 tons per month. I think we can get the business. Ninety per cent. of the tonnage is Bessemer Steel. The price would be arranged the first of each quarter, on the steel basis, with a provision for an arbitrator.

Such a contract does not mean a great big profit for us, because the La Belle Company is in the territory of a com-

petitor who has but a ten cent freight rate as against ours of one dollar.

I am uncertain as to whether or not this would be good business for us. If we do not make the trade, they will either increase their contract with National, or, worse, they will build their own plant, which would be an open hearth plant, as they cannot afford to put in a Bessemer plant now.

I submit the matter to the Board, as it is a large deal and should be considered here. They are to-day buying steel at $17.00 their mill, which means $16.00 for us on to-day's market.

The contract would be for a period of five years.

MR. GAYLEY: The proposition simply means, under present conditions, that we will provide the raw material, with the advantage of cheaper production on the rest of the material from that particular train, by reason of running full. It is simply on the same basis as we now sell steel everywhere, selling at the market price. I would certainly favor taking the contract on the basis reported.

MR. MORRISON: I agree with Mr. Gayley, and would take the business.

MR. PHIPPS: I think such a large tonnage as that, coming regularly, would be very desirable to have. The dollar freight is abnormally high and over a period of five years we would, in all probability, have a lower average rate.

* * *

At a Meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., on Monday, October 22nd, 1900, there were present MM. Schwab, Peacock, Phipps, Morrison, Gayley, Clemson, Blackburn and Lauder; also MM. Corey, Dickson and Bope; Mr. Singer abroad.

* * *

(p. 286) PLATES AND PLATE POOL.

MR. PEACOCK: We have arranged to put the price of plates up to 1.25c. per pound at the mill. The orders which

have put us in shape to do this are those for the B. & O. cars. I do not anticipate we will get very many plates at the price, but it will head off tonnage coming in of which we cannot take care.

MR. SCHWAB: While on this subject, I would like to explain to the Board a project I have in mind, to see what they think of it. I am not sure it can be accomplished, but I have every reason to believe there is a fair chance of doing it. I think we can arrange for an Association similar to the structural association, for dividing the plate business and maintaining the price; let there be a fixed percentage given to each manufacturer, with a heavy penalty per ton for exceeding that percentage, so that it will be of no benefit to cut the price to take a larger percentage. The price of plates has dropped to a very low point, in some instances below one cent per pound, which makes an actual loss on the present rates of freight. I believe that the low price which we have forced other mills to take during the past few months, puts us in the position of being able to make favorable arrangements with them.

I would not go into any arrangement which would not give us just as large a percentage as on an open market, and we can make the price anywhere from $5.00 to $10.00 per ton above what we are getting now. There are only ten or eleven Plate Mills in the country. We have communicated with all of them, and I believe they are favorable to such an arrangement. I favor it very strongly for this reason; in the structural association we have sold just the same percentage as we did in the open market before the association was formed. It has been a very profitable arrangement to us, with a tonnage as large as if we had not been in the association.

I have asked these plate manufacturers to meet me this week. If the Board decides we ought not to make such an arrangement, we can easily demand such a percentage as will make it impracticable to form such an association, but I think this is a favorable opportunity because plates are likely to advance a little and we should close at once.

I am inclined to include the Pressed Steel Car tonnage in our percentage, for the reason that it will give us a much

larger percentage and when the plate tonnage falls off, the car tonnage will fall off first; and it will give us that much larger percentage outside of cars. I should like the opinion of the Board.

Mr. Peacock: I am not very much in favor of Pools. I do not see how we can well include the car business because we are to-day preventing the building of shape cars by the fictitious price fixed by the structural Pool. There is no doubt any Pool will make money for the Carnegie Steel Company while it lasts, but we are also making our competitors a great deal of money. There are times when a Pool works to our disadvantage. We must sink for a time our identity, and I think that is very costly.

Mr. Schwab: This should be borne in mind, that if we can get the general market in plates up, we can carry out our Pressed Steel Car contract, which we have not done on recent orders.

Mr. Lauder: We have this advantage now; we can increase our plate tonnage by exporting. If the Pool limits orders in this country, we can fill up by taking orders abroad. I do not see any objection to the arrangement, but you will see, of course, that the price is not put too high. Taking everything into consideration, with judicious management, I think it would be advantageous.

Mr. Phipps: I think we are in better position by reason of having this car contract, and by having the call on the business of the American Bridge Company. I think conditions have been working so, that it is even more desirable for us now than it appeared last spring, when the matter was first broached. With heavy freights against us, such a Pool will help us. I would favor it on practically the same basis of management as the structural Pool, with a reasonable price.

Mr. Schwab: I would like to say one thing more, with reference to our building up our competitors; the history of Pools has been that, where mills have been in a pool, and have made a great deal of money in any product, they have thought it unnecessary to economize in the manufacture of that product, but that has never been our history. When we have gone out of a pool, we have always been in good shape to follow the business.

MM. Blackburn, Morrison, Clemson, Gayley, Clemson, Dickson, Corey and Bope all spoke briefly on the subject, to the effect that, while on principle opposed to pooling arrangements, the peculiar conditions surrounding the plate business and the situation with regard to freights, all seem to make such an arrangement desirable.

MR. SCHWAB: The concensus of opinion seems to be that we should go into something of this kind if it can be arranged. We will have a preliminary meeting on Thursday, and I will report to the Board further after it has been held. I should like to get some opinion as to the price at which you think we should start.

The majority of the Board favored starting with a price not over 1.25c. per pound, to be advanced later if conditions warrant, the President stating he would be governed accordingly.

• • •

At a Meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., November 6th, 1900, there were present MM. Schwab, President, Peacock, Phipps, Lauder, Morrison, Gayley, Clemson and Blackburn; also MM. Henry Phipps, J. E. Schwab, Corey, Dickson and Bope. Mr. Singer in New York.

• • •

The summary of important sales from January 1st to October 31st, 1900, is as follows:

Net Tons	Material		Average Price Per Pound	Average Price Per Net Ton
189,327	Struct'l. & Ship	—Domestic,	1.826c	$36.51
9,768	" "	—Canadian,	1.552c	31.04
49,890	" "	—Foreign,	1.522c	30.43
338,662	Plates,	—Domestic,	1.318c	26.35
5,233	"	—Canadian,	1.573c	31.46
78,556	"	—Foreign,	1.229c	24.57

Net Tons	Material		Average Price Per Pound	Average Per Net Ton
60,154	Bars,	—Domestic,	1.288c	25.76
1,800	"	—Canadian,	1.480c	36.79
22,033	"	—Foreign,	1.225c	24.50
27,521	O. H. Axles,	—Domestic,	1.677c	33.53
98	" " "	—Canadian,	1.900c	38.00
3,250	Ingot Moulds,	—Domestic,	———	30.76
786,290	Total Net Tons.			

Gross Tons	Material		Average Price Gross Ton
5,340	Ferro Manganese	—Domestic,	$81.75
324,937	Billets & Slabs,	—Domestic,	26.57
1,053	" "	—Canadian,	19.86
29,868	" "	—Foreign,	19.67
105	O. H. Ingots,	—Domestic,	43.90
111,121	Sheet Bars,	—Domestic,	30.83
64,500	" "	—Foreign,	19.35
5,754	Pig Iron,	—Domestic,	20.02
300	" "	—Canadian,	15.50
26,165	Scrap,	—Domestic,	14.75
12,000	"	—Foreign,	12.47
14,675	Spiegel,	—Domestic,	28.20
110,905	Std. Rails, 1sts	—Domestic,	29.30
2,728	Std. Rails, 1sts	—Canadian,	26.72
23,133	" " 1sts	—Foreign,	23.83
13,856	" " 2nds	—Domestic,	29.29
760	" " 2nds	—Canadian,	28.57
268	" " 2nds	—Foreign,	20.04
14,057	Light Rails,	—Domestic,	27.68
14,118	" "	—Foreign,	27.72
7,415	Splice Bars,	—Domestic,	36.38
110	" "	—Canadian,	35.84
2,004	" "	—Foreign,	32.42
785,172	Total Gross Tons.		
1,571,462	Grand Total Tons.		

• • •

MR. PEACOCK: I can report that we succeeded in selling the National Transit Company, during the past week, plates enough to keep them supplied until we can arrange for the tubes complete about 50,000 tons. The price is 1.15c. per pound for the narrow, and 1.20c. for the wider plates.

Moreover, the National Tube Company are likely to want to purchase any moment, they having suspended orders for machinery for their new open hearth plant, hoping we will not go into the tube business, as it is rumored we are likely to do.

MR. SCHWAB: When I was in New York last week, J. Pierpont Morgan sent word he would like to see me. I did not comply for several reasons. I thought it was about railroad matters, but I did meet Mr. Steele, who is his chief assistant, and was informed it was in reference to tubes; that the Morgan people had financed and put through this new tube combination, and were much alarmed about our going into tubes.

I think when Mr. Carnegie comes out here next week and we have definitely decided as to site, we should make a definite announcement of our intentions.

* * *

PLATE AGREEMENT.

MR. SCHWAB: I would report in regard to the plate matter, that I think there is very little doubt it can be closed. The Federal Steel Company is the only objector to the arrangement, but this week will probably see the arrangement carried out in line with previous advices, only on a more favorable basis to ourselves than when we went into the negotiation. I now think the arrangement will be made on the basis of our taking nearly, if not quite, half of all the plates made in the United States.

I spoke to Mr. Carnegie on Sunday, and he was delighted with the arrangement.

We have not come to the matter of price, but if we can agree on percentages there will be no trouble in agreeing on the price to be charged. I now think 1.25c. will be too low.

OPEN HEARTH RAILS.

MR. SCHWAB: As a matter of interest, I would say that Mr. Cassatt, of the Pennsylvania Railroad Company, and Mr. Hill of the Great Northern Railroad, offered me $4.00 per ton more if we would make their rails of open hearth. We are, of course, not in position to do this.

At a Meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., November 13th, 1900, there were present MM. Schwab, President, Peacock, L. C. Phipps, Lauder, Clemson, Gayley, Morrison, Singer and Blackburn; also MM. Andrew Carnegie, Henry Phipps, J. E. Schwab, Corey, Dickson and Bope.

* * *

PLATE AGREEMENT.

MR. SCHWAB: I would report that we have finally concluded the agreement on plates. Two of the firms could not sign without having the consent of their boards of directors, but I think there will be no trouble about it. The basis is such as to give us 46¼%, but we have 140,000 tons, excluded from any pool arrangement by reason of tonnage already sold, so that we really get 56% to 57% on next year's business.

The price has been fixed at 1.35c. per pound, Pittsburg.

* * *

At a Meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., on Tuesday, December 4th, 1900, there were present MM. Schwab (President), Peacock, L. C. Phipps, Lauder, Singer, Clemson, Gayley, Blackburn and Morrison; also MM. Henry Phipps, Dickson and Bope.

Minutes of the previous meeting were read and approved.

SALES REPORTS.

Mr. A. R. Peacock, as General Sales Agent, submitted the following reports:

"We submit herewith a statement in gross tons, of the total sales of Standard Rails—first quality—reported to the New York Committee by the different members of the Rail Association since September 21st, 1900:

Carnegie,	214,119
Illinois,	198,893
Cambria,	49,653
Colorado,	105,391
Pennsylvania,	67,478
Lackawanna,	118,761
National,	81,250
Total,	835,545

* * *

The summary of important sales for the month ending November 30th, 1900, is as follows:

Net Tons	Material		Average Price Per Pound	Average Price Per Net Ton
110,932	Struct'l & Ship	—Domestic,	1.459c	$29.18
2,550	" "	—Canadian,	1.200c	24.00
718	" "	—Foreign,	1.109c	22.19
140,414	Plates,	—Domestic,	1.166c	23.32
800	"	—Canadian,	1.281c	25.63
794	"	—Foreign,	1.096c	21.92
14,832	Bars,	—Domestic,	1.236c	24.71
150	"	—Canadian,	1.250c	25.00
141	"	—Foreign,	1.128c	22.36
19,046	O. H. Axles,	—Domestic,	1.350c	27.00
900	Ingot Moulds,	—Domestic,	—	22.00
291,277	Total Net Tons.			

Gross Tons	Material		Average Price Gross Ton
5,050	Ferro Mang.	—Domestic,	$62.84
39,921	Billets & Slabs,	—Domestic,	19.82
300	" "	—Canadian,	17.73
1,050	Sheet Bars,	—Foreign,	17.03
2,679	Pig Iron,	—Domestic,	18.71
4,425	Scrap,	—Domestic,	14.64
400	Spiegel,	—Domestic,	26.40
25,725	Std. Rails, 1sts	—Domestic,	25.42
1,000	" " 1sts	—Canadian,	26.00
11,457	" " 1sts	—Foreign,	18.76
3,392	" " 2nds	—Domestic,	23.89
50	" " 2nds	—Canadian,	24.70
8,408	Light Rails,	—Domestic,	21.14
445	" "	—Foreign,	21.60
3,567	Splice Bars,	—Domestic,	25.56
75	" "	—Canadian,	27.89
731	" "	—Foreign,	25.20
108,675	Total Gross Tons; 399,952 Gr. Total Tons.		

Sale of American Bridge Company Stock.

Mr. Phipps: I am able to report that the contract made with Mr. J. C. Pearson, for the purchase of $500,000, par value, preferred, and $250,000, par value, common, stock of the American Bridge Company, has been carried out by payment of the money, to the extent of $475,000, which leaves us with our claim for the dividend.

* * *

Mr. Schwab: I think we will do better on rails than we anticipated. This will probably be the last year of the Rail Pool, for I think we have reached such a point we must have another deal with the rail makers, before we can have a satisfactory pool arrangement. It is my suggestion that we allow this matter to rest for a short time, until we see how the business in rails develops, and if necessary, we can take it up again soon.

To this all agreed.

* * *

At a Meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburgh, Pa., at 12:30 P. M., on Tuesday, December 11th, 1900, there were present MM. Schwab (President), Phipps, Lauder, Singer, Morrison and Blackburn; also MM. Dickson, Kerr and Bope. MM. Peacock and Clemson in New York, Mr. Gayley abroad.

* * *

MR. BOPE: In addition to the reports, I might say that we have closed for 16,000 tons of Rails, for Chili, at a price which will net us $18.19 per gross ton, our works.

* * *

LAND AT CONNEAUT.

The President here spread before the Board a map showing the territory at and near Conneaut Harbor, on which options have been taken, in order that the location might be more clearly understood.

He stated: This is the property on which options expire very soon, and we must decide what we are going to do. I have been over the ground and think we have taken options on more than is necessary. The property line between our proposed works and the town of Conneaut will be for residence purposes. We ought to take about 500 acres in there to sell for town lots.

MR. PHIPPS: To place the matter clearly before the Board, the total purchase recommended is 4,390 acres, amounting to $639,500, an average of about $160.00 per acre. If it is decided that we want to get additional land later, I do not think we will have any trouble in securing it at not over the price we are now paying.

After some little further discussion of a general character with regard to details, it was moved by Mr. Lauder, seconded by Mr. Singer, that the officers of the Carnegie Land Company be authorized to conclude the negotiations and

make the purchases of the property at Conneaut, as described.

The motion was carried, the vote being unanimous.

* * *

MR. LAUDER: Could we not trade ore for pig? We have such a large quantity of ore, and it can be brought down cheaper next year. We have contracted ore for use at the Carrie Furnaces, and if they do not go in as anticipated, would we not be allowed to smelt that ore in some other furnace?

MR. SCHWAB: I think such an arrangement would be contrary to the spirit of the agreement, made by Mr. Gayley with the ore people at Cleveland—that we would not sell any ore if they did not. We would be taking a market, which would naturally go to them, after agreeing not to do so. However, we will have Mr. Kerr look into the whole question and report what can be done. In the meantime we will have it recorded that the policy of buying Pig, as outlined, meets with the approval of the Board, there seeming to be no dissent.

* * *

At a Meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., December 31st, 1900, there were present MM. Schwab (President), Peacock, Phipps, Lauder, Singer, Clemson, Morrison and Blackburn; also MM. Dickson, Kerr and Bope; Mr. Gayley abroad.

* * *

MR. SCHWAB: There has been a great deal of pressure brought on us by other manufacturers to advance the price of structural material. I do not think it advisable at this season. We are in good shape for this time of year, and I believe an advance at this time would probably hold up some business. My idea would be to defer any advance until later, if at all.

Other members of the Board present spoke briefly in opposition to the idea of an advance at this time, and the

President directed that it be so recorded as the sense of the Board. He asked the views of the Board as to an advance on rails, stating that people are holding off expecting there will be some reduction. His idea was to give notice that, on a certain date, we will advance rails $1.00 per ton, which might bring out further business.

MR. CLEMSON: I would not advance the price at all. I do not see that there is anything in the market to justify an advance in the price of rails. I understand it has been fixed for the year at $26.00.

MR. PHIPPS: I would be rather fearful of disturbing present conditions. It might have a bad effect. I think it would shut off business that would otherwise come out at the present price.

• • •

PURCHASE OF LAND AT CONNEAUT.

MR. PHIPPS: I would report progress on the Conneaut matter. We have a good man working there, and everything is being done properly. I believe everything will be in shape not later than Wednesday morning.

TRADING ORE FOR PIG IRON.

MR. KERR: I saw some of the ore men in Cleveland last week, and communicated by telephone with Mr. W. G. Mather. It seems to be the general opinion that any attempt to convert ore, as was discussed, would be a violation of the agreement. Mr. Mather was very decided in the matter, although he was quite willing to take it up with the ore people to see if they would object.

MR. SCHWAB: In connection with that, I had a letter from the representative of the Valley Association this morning, who stated that he thought such action was contrary to the agreement. I do not think, in view of our coke relations, that we can make any such arrangement, and, in view of all the circumstances, we will drop the matter.

• • •

At a Meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., January 8th, 1901, there were present MM. Schwab (President), Peacock, Phipps, Singer, Clemson, Morrison and Blackburn; also MM. Dickson and Bope; Mr. Gayley abroad; Mr. Lauder in the South.

* * *

The summary of important sales for the month ending December 31st, 1900, is as follows:

Net Tons	Material		Average Price Per Pound	Average Price Per Net Ton
93,676	Struct'l. & Ship	—Domestic,	1.468c	$29.35
1,005	" "	—Canadian,	1.320c	26.40
274	" "	—Foreign,	1.245c	24.89
85,905	Plates	—Domestic,	1.186c	23.71
860	"	—Canadian,	1.378c	27.56
172	"	—Foreign,	1.168c	23.37
10,050	Bars,	—Domestic,	1.218c	24.36
60	"	—Canadian,	1.167c	23.32
23	"	—Foreign,	1.237c	24.74
5,646	O. H. Axles,	—Domestic,	1.432c	28.64
375	Ingot Moulds,	—Domestic,	—	23.75
198,046	Total Net Tons.			

Gross Tons.	Material.		Average Price Gross Ton.
21,665	Ferro Manganese,	—Domestic,	$53.44
24,635	Billets & Slabs,	—Domestic,	18.50
1,050	" "	—Canadian,	18.04
650	" "	—Foreign,	18.61
11,500	Pig Iron,	—Domestic,	14.51
1,600	Scrap,	—Domestic,	15.87
180,080	Std. Rails, 1sts,	—Domestic,	24.78

Gross Tons.	Material			Average Price Gross Ton.
20,000	"	" 1sts,	—Canadian,	25.33
18,610	"	" 1sts,	—Foreign,	18.22
9,104	"	" 2nds,	—Domestic,	23.70
1,000	"	" 2nds,	—Canadian,	24.03
6,371	Light Rails,		—Domestic,	19.66
6,340	"	"	—Foreign,	19.36
12,073	Splice Bars,		—Domestic,	25.13
977	"	"	—Foreign,	29.23
315,655	Total Gross Tons.			
513,701	Grand Total Tons.			

"The summary of important sales from January 1st to December 31st, 1900, is as follows:

Net Tons	Material		Average Price Per Pound	Average Price Per Net Ton
393,933	Struct'l & Ship,	—Domestic,	1.637c.	$32.74
13,323	"	" —Canadian,	1.467c.	29.34
50,882	"	" —Foreign,	1.515c.	30.29
564,981	Plates	—Domestic,	1.260c.	25.19
6,893	"	—Canadian,	1.515c.	30.29
79,522	"	—Foreign,	1.227c.	24.54

Net Tons	Material		Average Price Per Pound	Average Price Per Net Ton
85,036	Bars,	—Domestic,	1.271c	$25.41
2,010	"	—Canadian,	1.776c	35.51
22,197	"	—Foreign,	1.224c	24.48
52,213	O. H. Axles,	—Domestic,	1.531c	30.62
98	" "	—Canadian,	1.900c	38.00
4,525	Ingot Moulds,	—Domestic,	—	28.44
1,275,613	Total Net Tons.			

Gross Tons	Material		Average Price Gross Ton
32,055	Ferro Mang.	—Domestic	$59.64
389,493	Billets & Slabs,	—Domestic,	25.37
2,403	" "	—Canadian,	18.80
26,518	" "	—Foreign,	20.07
105	O. H. Ingots,	—Domestic,	43.90
111,121	Sheet Bars,	—Domestic,	30.83
65,550	" "	—Foreign,	19.31
19,933	Pig Iron,	—Domestic,	16.66
300	" "	—Canadian,	15.50
32,190	Scrap,	—Domestic,	14.79
12,000	"	—Foreign,	12.47
15,075	Spiegel,	—Domestic,	28.15
316,710	Std. Rails, 1sts	—Domestic,	26.42
23,728	" " 1sts	—Canadian,	25.51
53,200	" " 1sts	—Foreign,	20.78
26,352	" " 2nds	—Domestic,	26.65
1,810	" " 2nds	—Canadian,	25.95
268	" " 2nds	—Foreign,	20.04
28,826	Light Rails,	—Domestic,	24.00
20,903	" "	—Foreign,	25.06
23,055	Splice Bars,	—Domestic,	28.81
185	" "	—Canadian,	32.62
3,712	" "	—Foreign,	30.16
1,205,502	Total Gross Tons.		
2,481,115	Grand Total Tons.		

At a Meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., January 15th, 1901, there were present MM. Schwab (President), Phipps, Clemson, Morrison, Singer and Blackburn; also MM. Dickson, Kerr, Corey and Bope. Mr. Peacock in New York; Mr. Gayley abroad; Mr. Lauder in the south.

• • •

MR. BOPE: It is expected to hear to-day the proportion of rails allotted to us by the Baltimore & Ohio Railroad. Mr. Cowan stated it would be the lion's share. We also have an inquiry from the C. C. C. & St. L. Railroad for 15,000 tons, which it is hoped to close this week.

As to export rails, there is considerable inquiry, but competition is keen, in view of inroads made by American mills, and we must expect to fight for whatever is obtained.

* * *

CONNEAUT LAND COMPANY.

MR. PHIPPS: I would report favorable progress in the Conneaut Land Purchase matter. We have taken all necessary precautions to have the titles examined, and the proper surveys made. I find, from a legal standpoint, it will be a wise move to incorporate a new Company, under the Ohio State Laws, to handle the land purchase in the State of Ohio. We have made application for a Charter for the Conneaut Land Company, an Ohio corporation, with a capital stock of $10,000.00. Under the Ohio law, it is necessary to have a majority of the Board of Directors residents of Ohio. We had thought of a Board of five, and our idea is to take E. S. Mills, of Cleveland, Messrs. Richardson and Fickinger, from the Conneaut Dock, with Mr. Gayley and myself, the officers to be—President, L. C. Phipps; Vice-President, James Gayley—the other three directors, E. S. Mills, P. J. Fickinger and R. R. Richardson; Secretary and Treasurer, W. W. Blackburn; Assistant Secretary and Auditor, D. H. Coble.

It was moved by Mr. Clemson, seconded by Mr. Morrison, that the selection of officers and directors for the Conneaut Land Company, as reported by Mr. Phipps, be approved. The motion was carried, the vote being unanimous.

* * *

At a Meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., on Monday, February 4th, 1901, there were present MM. Schwab (President), Peacock,

Singer, Morrison, Gayley, Clemson and Blackburn; also MM. Dickson and Bope. Mr. Lauder in the South; Mr. Phipps in California.

Minutes of previous meeting were read and approved.

RAILROAD AGREEMENT.

The Secretary read the following proposed agreement between this Company, the Union Railroad Company and a Syndicate formed for the purpose of acquiring and building a railroad from a connection with the Wabash Railroad at or near Toledo, and the lines of railroad owned or controlled by the Union Railroad Company, which agreement relates partially to traffic to and from the works of this Company:

AGREEMENT, dated this Fourth day of February, A. D. 1901, between the Syndicate, by its Managers (said Syndicate being composed of Louis Fitzgerald, George J. Gould, Joseph Ramsey, Jr., and their associates, whose names are subscribed to a certain Syndicate Agreement dated February 1st, 1901, copy of which is hereto attached marked "A"), party of the first part, hereinafter called the Syndicate, the Union Railroad Company, party of the second part, hereinafter called the Union Company, and the Carnegie Steel Company, party of the third part, hereinafter called the Carnegie Company.

WHEREAS, the said Syndicate has been formed for the purpose of constructing or purchasing, or constructing and purchasing, certain lines of railroad from Toledo, Ohio, to the City of Pittsburg, Pa., with branch lines to Cleveland and other towns in Ohio, and in the States of Pennsylvania and West Virginia, and to a connection with the tracks of the said Union Company as now constructed at or near the mouth of Streets Run, Pa., or as they may hereafter be constructed to a point near the head of Thompson Run, Pa., both in Allegheny County, or at either or both of said points as said Syndicate, its successors or assigns may determine, and

WHEREAS, the said Union and Carnegie Companies are desirous of having said lines of railway above described built between said points of connection with the Union Company's

tracks, to the City of Toledo, and whereas all of the parties hereto will be mutually benefited by the construction and operation of said system of railway and connections as aforesaid; therefore, in consideration of such mutual benefits, it is agreed as follows:

I

The said Syndicate will proceed with all diligence and despatch to secure such franchises as may be necessary in the several states and organize such railway companies thereunder as may be necessary to construct, purchase or lease such lines of railway as may be required to complete said line of railway above described to the City of Toledo, and that said Syndicate will construct or purchase, or secure the construction or purchase, or both, of said lines of railway and the operation thereof after such completion.

II

That it will connect said railway line with the tracks of the Wabash Railroad Company at Toledo, either directly or through the tracks of existing belt or other railway companies, either by trackage or switching agreements, and that it will arrange a close traffic contract or alliance with said Wabash Railroad Company, or secure trackage rights over the tracks of said Wabash Railroad Company to Chicago, or both.

III

The Union Company agrees to transport the cars of the said Syndicate over the railway tracks of said Union Company as they are now or may hereafter be constructed, to all the works, plants and tracks of said Carnegie Company, and of such other corporations, partnerships or persons as are now or may hereafter be located on or reached by the tracks of said Union Company, and also to the tracks of other railway companies, belt lines, terminals, or private switches, with which the tracks of said Union Company may connect.

Said Union Company is to move all cars offered by or consigned to said Syndicate lines, to or from any of the aforesaid works, railways, belts, terminals, or private switches,

with reasonable diligence and despatch and without any discrimination against said Syndicate lines.

For all such services performed by said Union Company, it shall charge and receive such switching tolls or trackage charges as may be agreed upon from time to time for the various classes of service, or as may be charged by said Union Company for similar services performed by it for other companies over said tracks; but for all switching of traffic to and from the works of said Carnegie Company, the charges shall not be less than ten cents per ton of 2000 lbs., on all traffic rated by the net ton of 2000 lbs., and ten cents per ton of 2240 lbs., on all traffic where tariff rates are fixed by the gross ton of 2240 lbs.

No charge is to be made for moving empty cars which are moved one way loaded.

IV

The Carnegie Company agrees to give to said Syndicate lines for transportation over said lines to all points reached by said lines and connections, one-fourth of all the traffic, including ore, coal and coke, controlled by said Carnegie Company and its controlled or affiliated companies, upon or reached by the lines of said Union Company, as it is now, or may hereafter be constructed, or on lines owned or controlled by said Union or Carnegie Companies, or which the said Syndicate lines may reach direct or through switching arrangements with other railways, when such tonnage is destined to or coming from points within Central Traffic Association territory—i. e., west of Buffalo and Pittsburg—and all points west and south of Central Traffic Association territory, west of the western state line of Pennsylvania, projected southward, which can be reached with reasonable despatch via the lines of said Syndicate and its connections, subject, however, to the following conditions:

1st: There is to be deducted from the total tonnage before computing said one-fourth, freight transported by water, freight routed by consignees and ores, coal, coke and limestone to the works of said Carnegie Company over railways owned, controlled or leased by said Carnegie Company.

2nd: The Syndicate lines are to furnish, with reasonable promptness, cars for said freight and to transport the same with all reasonable diligence and despatch to destination or to its connections.

3rd: The net freight rates received shall be at all times as low as are obtained by it or any other railway company in the Pittsburg or any other district in the United States, where such rates place competitors in competition with the Carnegie Company:

PROVIDED; that to guard the said lines from any attempt of other railroads to injure it by offering excessively low rates the said Syndicate lines shall not be required to take any freight which does not yield to it at least three and one-third mills per ton per mile, car-loads, for distances of three hundred miles and over, and for shorter distances the usual percentage higher per ton per mile usually charged by railroads in such cases.

V

The first party agrees to secure the organization of such railroad company or companies as may be necessary to construct, purchase or lease the system of lines aforesaid, and it will cause said company or companies to assume the conditions and obligations resting upon the first party under this agreement, and the second and third parties hereto agree that they will thereupon release said first party from all the conditions and obligations of this agreement and transfer to said railway company or companies all the rights and benefits herein granted to said Syndicate.

VI

It is agreed that this traffic agreement shall be adopted by the Wabash Railroad Company in case of a merger of the Syndicate lines and it; or if a traffic agreement between these lines is made, that it will embrace the promises of this agreement.

VII

Should any dispute arise under this agreement, it shall be settled amicably by arbitration, each party choosing one arbitrator, and these two a third in case of failure to agree, and the decision of a majority of them shall be final and binding upon both parties.

VIII

This agreement shall be null and void after thirty days unless the proposed Syndicate is fully formed, and, secondly, after six months, if the proposed new lines are not secured and the line necessary to reach Pittsburg is not put under contract.

IX

This agreement shall continue in force for twenty years from the date hereof and thereafter until terminated by one year's notice from either the first or the second and third parties.

IN WITNESS WHEREOF, the parties of the first part have hereunto set their hands and seals, and the parties of the second and third parts have caused their common corporate seals to be hereunto affixed.

Attested, by their respective proper officers, the day and year aforesaid.

Also, the following letter from Mr. Andrew Carnegie:

"Judge Reed will submit the proposed Traffic Agreement with the Syndicate which is organized to build a railroad from Uniondale, Ohio, on the Wheeling and Lake Erie Railroad, to Pittsburg, and to construct the Wabash line from Toledo to Montpelier, giving it the shortest line to Chicago. Its capital is $12,000,000, all raised by Wabash and Wheeling & Lake Erie parties.

This Traffic Contract will settle the question of rates to the west. The Wabash reaches Cleveland, Buffalo, Toledo, Detroit, Chicago, Canada and the Northwest; also St. Louis, Kansas City and through Texas. Of course it is intended to merge the W. and L. E. and the Pittsburg line, and also the Montpelier, into the Wabash system.

Note that Traffic Contract gives as low rates as are given in other districts upon steel, which is all that we need. The provision relieving the railroad from obligation to take traffic that does not yield three and one-third mills per ton per mile, is intended to protect the railroad from attack by other railroads which might know that the Wabash was obligated to accept any rates. There need be no fear that the Wabash would refuse traffic at three mills per ton per mile, or even less.

I have given the Syndicate assurance that I would recommend the acceptance of this contract to you and they are anxiously awaiting your action. If you all see it as I do, I should be glad to have you pass the necessary resolutions accepting the contract and authorizing your officers to execute it when presented. I have promised that an immediate answer will be sent. Please wire me what you decide.

P. S.—The Resolution should include this paragraph, which is part of the understanding:

Should the Syndicate or allied interests decide to extend its road to the seaboard or to a connection with the Reading or Western Maryland, it is understood that the provisions of this Traffic Agreement will extend to the Eastern line."

MR. SCHWAB: This Agreement is one by which the Wabash Road makes an arrangement with the Wheeling & Lake Erie whereby they are going to build a line connecting these two lines, from the Ohio River, with our Union. There will be about seven miles of road which we will be obliged to build. In connection with this, there is a traffic arrangement giving them one-fourth of the business moving in the direction they can handle, a carrying agreement at as low rates of freights as anybody else will give. The only expense to which we will be put will be the connection of the Union road to this line. I saw Mr. Ramsay in New York Saturday; he told me the Syndicate had been formed.

JUDGE REED: The question of carrying ore was up, and I objected to that being included in the contract. Mr. Ramsay said they ought to have a chance at one-fourth of the ore, which did not come down over the Bessemer road, and Mr. Carnegie said his position was all right. The Wheeling &

Lake Erie road have a harbor at Huron, also, one at Toledo. I do not think, however, they will handle much ore.

On motion of Mr. Peacock, seconded by Mr. Gayley, the President and Secretary were directed and authorized to execute the said agreement, under the common seal of the Company, which said agreement is to become effective when also executed by the Union Railroad Company and the Managers of said Syndicate, the vote being unanimous.

SALES REPORTS.

Mr. A. R. Peacock, as General Sales Agent, submitted the following reports:

"We submit herewith a statement in gross tons, of the total sales of Standard Rails—first quality—reported to the New York Committee by the different members of the Rail Association since September 21st, 1900:

Carnegie	405,763
Illinois	392,995
Cambria	139,623
Colorado	108,390
Pennsylvania	139,577
Lackawanna	194,784
National	142,477
TOTAL	1,523,609

* * *

At a Meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., on Monday, February 25th, 1901, there were present MM. Peacock (First Vice-President), Phipps, Singer, Morrison, Blackburn, Dickson, Bope, Gayley, and Clemson. Mr. Schwab in New York; Mr. Lauder in Florida.

* * *

MR. BOPE: The gain on rails is due principally to the booking of an order for the Ecuadorian Association, amount 40,000 tons, for shipment between March 1st of this year and July 1st, 1902. The rails will be delivered at New York, Philadelphia and Baltimore, and the lowest net price, based upon full rates of freight, will be $17.32 per gross ton, our works.

* * *

At a Meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., on Monday, March 25th, 1901, there were present MM. Peacock (1st Vice-President), Phipps, Singer, Morrison, Blackburn, Dickson, Bope, Gayley and Clemson. Mr. Schwab in New York; Mr. Lauder in the South.

Minutes of the previous meeting were read and approved:

SALES REPORTS.

Mr. H. P. Bope, as Assistant General Sales Agent, submitted the following reports:

"We submit herewith a statement in gross tons, of the total sales of Standard Rails—first quality—reported to the New York Committee by the different members of the Rail Association since September 21st, 1900:

Carnegie	430,397
Illinois	467,185
Cambria	163,799
Colorado	108,390
Pennsylvania	189,014
Lackawanna	206,597
National	166,302
TOTAL	1,731,594

* * *

The following minutes of the Traffic Association of the United States Steel Corporation (Record, page 1920 to page 1962), are offered in evidence by the petitioner under the foregoing stipulation dated June 26, 1912 (Volume II. Government Exhibits, page 359) for all purposes for which said minutes are competent and relevant:

Each and all of said minutes are objected to by counsel for said defendants on the ground of incompetency, irrelevancy and immateriality.

UNITED STATES STEEL CORPORATION.

Traffic Association.

The 85th meeting of the Traffic Association, held in Room 1510, Frick Building, Pittsburg, Monday, January 11th, 1909, at 9:30 A. M.

There were present:

Mr. J. S. Keefe (Chairman),	American Steel & Wire Co.
Mr. D. N. Bates,	"
Mr. J. A. Coakley,	"
Mr. C. S. Belsterling,	American Bridge Co.
Mr. A. G. Young,	American Sheet & Tin Plate Co.
Mr. F. C. Baird,	Bessemer & Lake Erie R. R. Co.
Mr. L. C. Bihler,	Carnegie Steel Co. Universal Portland Cement Co.
Mr. F. E. Learned,	Elgin, Joliet & Eastern Ry. Co.
Mr. F. T. Bentley,	Illinois Steel Co. Universal Portland Cement Co.
Mr. R. B. Porter,	Lorain Steel Co.
Mr. J. F. Townsend,	National Tube Co.
Mr. A. W. Carey,	Tennessee Coal, Iron & R. R. Co.
Mr. A. F. Mack,	U. S. Steel Products Export Co.

Meeting was called to order with Mr. J. S. Keefe in the Chair.

• • •

Mr. Townsend: Mr. Bentley and I had a meeting in Chicago with the following gentlemen:

Messrs. H. Gower, F. T. M.,	Rock Island.
J. A. Middleton, F. T. M.,	Frisco System.
E. K. Voorhees, G. F. A.,	"
*Theodore Brent, A. to 3d V. P.	"
S. H. Johnson, A. G. F. A.,	Rock Island.
H. A. Snyder, A. G. F. A.,	
F. C. Reilly, G. F. A.,	C. & E. I. R. R.

*Representing W. B. Biddle, Third Vice-President.

They talked in a very plausible manner, and introduced the time-honored argument that they advanced the rates on pipe and other commodities so that they could buy steel products and other supplies generally. I did not say very much, excepting to emphasize that we had not received any advance information of the contemplated advance until after the tariff had been published a month. When I returned home, I wrote both Freight Traffic Manager Gower and Middleton, giving the exact points and a history of the rates during the last three years, showing advances of 12½c. during that period. Mr. Gower replied that they would go into the question. Mr. Middleton wrote a long letter, intimating that it would be impossible to make any change. However, I am glad to say that I have just received a telegram from Mr. Middleton, dated January 9th, stating that the rates on pipe to Oklahoma points would be restored just as soon as the tariff could become effective legally, either the latter part of February or the first of March, and would continue the rates, at least, six months.

This is undoubtedly the result of the meeting that I had with Third Vice-President Biddle, in Chicago, last week, when he reiterated the statement that he had made in the past, that we would always be advised just as soon as it had been decided to make any change in the rates on our commodities.

Mr. Young: I called on Mr. E. B. Boyd, Assistant to Vice-President of the Mo. Pac. System, Chicago, and told him

that we wanted a friend at court in the Southwestern territory and asked him to arrange to see that their representative in Pittsburg was kept informed in advance of anything coming up, and Mr. Boyd expressed himself as being very much in favor of this.

* * *

ATTITUDE OF SANTA FE:

MR. BENTLEY: After having several interviews with the Santa Fe road in relation to having them purchase from the Corporation, I have received an affirmative statement from Mr. Gorman that they will buy their open hearth steel rails from us.

* * *

UNITED STATES STEEL CORPORATION.

Traffic Association.

The 87th meeting of the Traffic Association, held in Room 1122, Cortlandt Building, New York, Wednesday, March 17th, 1909, at 10:00 A. M.

There were present:

Mr. J. S. Keefe (Chairman),	American Steel & Wire Co.
Mr. D. N. Bates,	"
Mr. J. A. Coakley,	"
Mr. C. S. Belsterling,	American Bridge Co.
Mr. A. G. Young,	American Sheet & Tin Plate Co.
Mr. F. C. Baird,	Bessemer & Lake Erie R. R. Co.
Mr. L. C. Bihler,	Carnegie Steel Co. Universal Portland Cement Co.
Mr. F. E. Learned,	Elgin, Joliet & Eastern Ry.
Mr. F. T. Bentley,	Illinois Steel Co. Universal Portland Cement Co.
Mr. R. B. Porter,	Lorain Steel Co.
Mr. E. C. Collins,	Pittsburg Steamship Co.
Mr. A. W. Carey,	Tennessee Coal, Iron & R. R. Co.
Mr. A. F. Mack,	U. S. Steel Products Export Co.

Meeting was called to order with Mr. J. S. Keefe in the Chair.

• • •

STEEL RAIL RATES: MR. BIHLER: The Bethlehem, Pennsylvania and Maryland Steel Companies are agitating strongly through their initial lines, freight rate revisions from the rail mills at Bethlehem, Sparrows Point and Steelton to points west of Buffalo and Pittsburg on rails. The rates from eastern mills now range from $1.04 per ton and upwards to about $1.45 higher than Pittsburg rates. Bethlehem wants 75c. differential horizontally over Pittsburg, while the railroads propose a uniform differential of $1.00 over Pittsburg to all points where the Pittsburg rate to destination is $1.50 per ton or greater. This opens up the whole steel rail rate question from the producing mills. A joint meeting of the Rail Committee and Traffic representatives of the rail producing companies is to be held at Buffalo on March 18th, and the Corporation will be represented to take care of its various interests. We intend to insist on general revision to protect Bessemer and Youngstown, as our position is that it is impracticable to single out far eastern mills for revision, decreasing their disadvantages into western territory without making corresponding corrections in rates from Youngstown and Bessemer to points where these are at a disadvantage; in other words, to insist on carriers not singling out any preferred locality for revision, but to make the revision general, if there is to be one.

• • •

PACIFIC COAST RATES: In reply to Mr. Mack's inquiry as to whether there would be any change in the Pacific Coast rates, it was advised that there was no prospect for a reduction until, at least, three or four months, when if it is found that the Corporation is being hurt, the railroads will endeavor to adjust matters satisfactorily.

• • •

RATE, CAR WHEELS: MR. BIHLER: The Buffalo, Rochester & Pittsburg Ry. have been cutting rates on car wheels and later on iron and steel articles from Buffalo to Butler, and the Nickel Plate and the B&LE were forced to meeting the competition. These other roads forced the issue to the

extent that the cut rate from Buffalo to Butler on car wheels and iron and steel has been extended to Pittsburg and McKees Rocks, and in self protection the Carnegie Steel Co. has now demanded a reduction in rates on car wheels and iron and steel from Pittsburg and McKees Rocks to Buffalo. Indications are that it will be granted.

GRAND TRUNK RY. SYSTEM: MR. MACK: The Grand Trunk Ry. buys very largely from us and the Canadian Pacific Ry. very little, and I feel that the GTR should have a fair share of our business into Canada.

The CPR receive a large proportion of the western business, which amounts to quite a tonnage, and I would suggest, therefore, to the Traffic Managers that they give the Grand Trunk a larger share of the business into Eastern Canada, which they are entitled to from the standpoint of business they do with the Corporation.

CHAIRMAN: I would be glad to have each member bear this in mind and endeavor to help the Export Company all you can and do anything possible for the Grand Trunk into Eastern Canada.

* * *

UNITED STATES STEEL CORPORATION.

Traffic Association.

The 88th meeting of the Traffic Association, held in Room 1122, Cortlandt Building, New York, Wednesday, April 21st, 1909, at 10.00 A. M.

There were present:

Mr. J. S. Keefe (Chairman),	American Steel & Wire Co.
Mr. D. N. Bates,	"
Mr. J. A. Coakley,	"
Mr. C. S. Belsterling,	American Bridge Co.
Mr. A. G. Young,	American Sheet & Tin Plate Co.
Mr. F. C. Baird,	Bessemer & Lake Erie R. R. Co.
Mr. L. C. Bihler,	Carnegie Steel Co. Universal Portland Cement Co.

Mr. F. E. Learned,	Elgin, Joliet & Eastern Ry. Co.
Mr. F. T. Bentley,	Illinois Steel Co. Universal Portland Cement Co.
Mr. R. B. Porter,	Lorain Steel Co.
Mr. J. F. Townsend,	National Tube Co.
Mr. A. W. Carey,	Tennessee Coal, Iron & Railroad Co.
Mr. A. F. Mack,	U. S. Steel Products Export Co.

Meeting was called to order with Mr. J. S. Keefe in the Chair. S. B. Duff, Secretary of the meeting.

The minutes of the meeting of March 17th, 1909, were read and approved.

STEEL RAIL RATE SITUATION,

BETHLEHEM, STEELTON AND SPARROWS POINT *v.* PITTSBURG:

MR. BIHLER: The rail situation is in a rather precarious shape, the Bethlehem and Pennsylvania Steel Companies using as an argument that if Lorain, 175 miles West of Pittsburg, is justly entitled to 40c. differential over Bessemer going East, then $1.00 is not an unfair differential to Bethlehem, Sparrows Point and Steelton going West. The Jersey Central and the Lehigh Valley railroads are in a frame of mind where they are ready to try to break down the Steel Rail Committee and issue the $1.00 basis independently. When we analyze it from a fair standpoint, we cannot offer any valid objection to this argument.

MR. TOWNSEND: I think that the railroads are going to hold this matter down on what is fair, on the lines that the traffic moves as comparing Bethlehem with Pittsburg. The same rule is true between Buffalo and Lorain. There is only about 70 miles between Bessemer and Lorain going West. In all seriousness, there is certainly equity in our having the present differential of 40c. between Lorain and Buffalo, East and West. However, if the Bethlehem basis is to be changed to $1.00 above Bessemer, we know of no reason why the

Lorain differential should not be made 60c. per ton, just the same as it is on iron and steel articles.

MR. BAIRD: I do not think there is the least danger of the Lehigh Valley and Jersey Central breaking the Steel Rail Committee, for at a meeting held recently it was shown that they did not have any ground to stand on. The understanding is that the railroads west will not concur in their tariff putting in an arbitrary basis of rail rates; if they do, the Bessemer & Lake Erie will consider meeting the reductions in cents and dollars out of Pittsburg.

* * *

TERMINAL ALLOWANCES: MR. TOWNSEND: A Sub-Committee, consisting of Mr. John Lundie, G. H. Kimball and R. C. Kimball, have since our last meeting gone over the six terminal railroads in detail, having left Pittsburg last night. I presume that they will make a report very shortly to the General Terminal Committee.

There have been some rapid developments during the last month in the terminal situation. On March 25th, the Baltimore & Ohio, through its Manager of Freight Traffic Wight and General Coal & Coke Agent Matthews, made a quotation of 15c. per ton on bituminous coal and coke, and on March 27th, the Pennsylvania Lines quoted the same basis through Freight Traffic Manager Wm. Hodgdon. This was followed by a meeting of the Executive Officers of the railroads, held in New York the following Tuesday, March 30th, when it was agreed to apply the basis of 10 and 15 to five terminal railroads: The Union R. R., Mon. Conn., Newburgh & South Shore, Lake Terminal and South Buffalo. While this is claimed to be the Mon. Conn. R. R. basis, it seems there is no restriction as to the rates applying only on traffic rated at 50c. per ton or higher, and we understand that the Mon. Conn. limit is 40c., and on traffic rated below that figure, the Mon. Conn. receives 25% of the rate. This feature I have taken up with the Baltimore & Ohio, the Wheeling & Lake Erie and Nickel Plate, and I would suggest that the same move be made by the Newburgh & South Shore, i. e., to make no effort to have the Lake Shore change until the other three roads have agreed to it.

The change from 15c. to 10c. on the coal and coke traffic

for the Lake Terminal is a very unfortunate one, and we have resisted it, but it seems impossible to have it continued at this time. However, we should not lose sight of our friends who established the basis on coal and coke, that are really responsible for bringing about the change in the terminal allowance from a per car switching charge to a per ton rate basis.

Both the Union and the Mon. Conn. R. R. recognize the difference in the conditions at the Lake front and will not ask for a change in the rates on coal and coke, even tho it is accorded the Lake Terminal R. R. I would suggest, therefore, that every one interested in this question let it be known with the railroad representatives that we are looking forward to a proper adjustment when the railroads consider the Engineering Committee's report.

The facts are that while the voluntary change to the per ton basis was made by the executive officers of the railroads to apply to five terminal roads, only four of them are the ones that the Engineering Committee has been instructed to consider.

The original proposition we understand was something over a hundred terminal propositions. This was reduced to twelve terminal roads that were considered by the General Terminal Committee, and after their report was made, only six roads were selected. Therefore, there are only two of the terminal railroads that we are interested in that have not been provided for, i. e., Mercer Valley and the McKeesport Connecting Railroads. I am confident that we will have a favorable report from the Engineering Committee, and with the co-operation of the Frick Coke Co. and the Ore Departments, we can have these two terminal railroads established upon an equitable basis, for it has been pointed out in a very convincing manner to the Engineering Committee that these roads are performing exactly the same railroad service that other terminal roads are. Altho their haul may not be as long as others, the actual saving to the regular carriers is as much in proportion to the tonnage handled, and we know that the operating expenses of these two terminal roads are higher than on some of the larger terminal lines, on the basis of tonnage handled.

Mr. Randolph intimated to me a week ago that he thought, in view of the injunction that had been filed against the B&O and other West Virginia coal roads, restraining them from advancing the rates on coal to the Lake ports, that the present rate on coal from Ohio mines to Cleveland and Lorain would be reduced to 70c. or 75c. per ton, and that the terminal allowance should be reduced proportionately. This we agreed to, i. e., with the understanding it would be proportionately reduced as 15c. is to 90c., or 12c. to 70c.

In this connection, I wish to report that the Ohio Coal Operators last Monday arranged to bring suit against the Ohio Coal roads, and the papers were actually served on the Wheeling & Lake Erie and Baltimore & Ohio that day. The case will be brought before the Railroad Commission of Ohio. It will be brought out that the railroads extending across the State of Ohio are hauling West Virginia coal at $1\frac{1}{2}$ mills per ton mile, while the same railroads are charging rates on Ohio coal yielding $5\frac{1}{2}$ mills per ton per mile.

There can be no question but what this will reduce the rates on Ohio coal to a very much lower basis than if the railroads had adjusted these rates themselves on a fair basis.

Mr. Bihler: The Union Railroad has been notified by the P&LE, Penna. and B&O that not later than May 10th on long haul shipments, state and interstate, when destined to and from the industries on the Union Railroad, these roads will grant the Union R. R. a terminal allowance of 15c. per ton on finished material, billets, and higher value, and 10c. per ton on other material, pig iron and downwards in value, with no change in divisions on short haul switching rates within the Pittsburg switching district, the through rate and divisions remaining the same, which is entirely agreeable, as to pay the increased terminal allowance on the short haul business would necessarily increase the gross rates of freight between Carnegie mills on the Union and the American Steel & Wire Co., National Tube Co., American Sheet & Tin Plate Co. and American Bridge Co., in the Pittsburg switching limits, and because of the desire not to increase the switching rates between the subsidiary companies, we have not demanded a uniform application of the 15c. per ton on semi-finished and finished materials on short haul switch move-

ments, which is a concession for the benefit of the subsidiary companies, as well as Carnegie switch movements. Have told the three roads in question that while the figures offered did not meet our views, we having held out for 15c. per ton, we would be patient and wait until the engineers reported back, when the matter would receive further consideration.

MR. COAKLEY: We have accepted the 10 and 15c. rates under protest for the Newburgh & South Shore Ry.

MR. YOUNG: Now that the question of terminal allowances for the larger terminal roads is out of the way, I would like to inquire what is going to be done by the smaller roads. I think the matter should come up right now.

It was advised that inasmuch as the Mercer Valley and McKeesport Connection railroads' terminal allowance had not been adjusted as yet, it would be unwise to take up the smaller terminal or switching propositions at this time.

* * *

RATE ON SCRAP IRON: MR. BENTLEY: The question of revision of scrap iron rates in Central Freight Association was up at a meeting last week in Chicago and referred to a special committee. Our position has been that our meanest competition has been from the scrap iron consumers, and if we can get these low rates up, we will take some advantage of it ourselves. For instance, from the Gas Belt, but they cannot get a revision generally.

* * *

IRON AND STEEL RATES, C. F. A.: MR. BIHLER: I have succeeded in getting a definite statement and promise from the Central Freight Association Lines to the effect that on June 5th all special rates on bar iron, carloads, and car wheels, carloads, now existing from Chicago, Fort Wayne, Terre Haute, Peoria, and St. Louis to points located north and east of the line Michigan City to LaPorte, southbound, thence south through Plymouth, Logansport, Frankfort, Crawfordsville, Terre Haute, Vincennes to Evansville, exclusive, which are at present less than 5th class, will be canceled and the 5th class rate restored, thus removing the discrimination into said territory that has existed against

Youngstown and Pittsburg, and placing them on a relative basis.

It is stated that the low special rates on bar iron from Ft. Wayne and Terre Haute to East St. Louis, which are less than 5th class, cannot be canceled because of the fact that Chicago and Eastern Illinois will not cancel their low rates from Chicago to East St. Louis, and that because of this condition, they do not feel that they necessarily have to reduce rates from Youngstown and Pittsburg to East St. Louis to compare with the low rate from Chicago.

* * *

PROPOSITIONS TAKEN UP WITH WESTERN ROADS: It was decided that any members of the Traffic Committee, when taking up matters with the western roads, should at all time (*sic*) keep Mr. Learned fully posted, so that he will know whether to oppose or support the propositions in the interest of the constituent companies.

* * *

UNITED STATES STEEL CORPORATION.

TRAFFIC ASSOCIATION.

The 89th meeting of the Traffic Association, held at the Union Club, Cleveland, Ohio, Friday evening, May 21st, 1909, at 8:30 P. M.

There were present:

Mr. J. S. Keefe, (Chairman),	American Steel & Wire Co.
Mr. D. N. Bates,	"
Mr. J. A. Coakley,	"
Mr. C. S. Belsterling,	American Bridge Co.
Mr. A. G. Young,	American Sheet & Tin Plate Co.
Mr. F. C. Baird,	Bessemer & Lake Erie R. R. Co.
Mr. L. C. Bihler,	{Carnegie Steel Co. {Universal Portland Cement Co.
Mr. E. C. Collins,	Pittsburg Steamship Co.
Mr. A. W. Carey,	Tennessee Coal, Iron & R. R. Co
Mr. A. F. Mack,	U. S. Steel Products Export Co.

Meeting was called to order with Mr. J. S. Keefe in the Chair.

SCRAP V. PIG IRON RATES: MR. BIHLER: The Central Freight Association, sub-committee, held a conference on May 12th, with the traffic representatives of the various iron and steel producing concerns in Pittsburg, Valley, Wheeling, and Chicago districts, to consider the request of a number of independents for the establishment of pig iron rates on scrap. A detailed analysis of the situation showed that from a Corporation standpoint, where a ton of new steel, either for new light steel rails or new angles or light channels or shapes was displaced by a ton of the same kind of material rolled for the scrap rails, the Corporation would lose the profit on the ore, the Steamship Company on the transportation, limestone, coke, as well as the profit in conversion of the raw material into steel, and the carriers would lose the revenue on the ore, coke, and limestone, while each individual subsidiary company receives more or less scrap at their open hearth plants, on which outside transportation charges are paid, yet the gain this way is more than offset by having to meet the competition of re-rollers for light rails and light shapes.

The Corporation's views were stated to the railroad people; the Jones & Laughlin Steel Co. were of the same view as the Corporation interests. The other independents argued that the scrap for re-melting in open hearth furnaces should be entitled to the pig iron rates, because of the price, etc., but it is stated that they did not make out a sufficiently strong case, and their petition for application of pig iron rates on scrap will not be granted.

* * *

ADVANCE IN RATES TO MEXICO: MR. MACK: I desire to call attention to the advance in rates to Mexico from mills located in Ohio, shipping via New Orleans, which interests the American Steel & Wire Co., American Sheet & Tin Plate Co., National Tube Co. and the American Bridge Co. from Ambridge, Pa. The railroads have pulled out the rates that were in effect and put in an advance of 4c. This advance absolutely throws us back again to the Ward Line Route, and it

seems that the Ward Line will advance their rates, in fact, have already advanced them. This is a very serious matter with the Export Company, and I want to ask for the co-operation of the members interested to bring about an adjustment of this matter.

RATE ADJUSTMENTS: CHAIRMAN: I believe that the independents have been gaining ground on rate adjustments for a year, and it seems to me it has gotten to a point now where we want to make a stand on every adjustment made against us.

MR. YOUNG: I wish to explain that we now have assurances from the Rock Island, Missouri, Kansas and Texas and Missouri Pacific railroads that they will keep us fully advised of any contemplated changes in rates.

* * *

TERMINAL ALLOWANCES: MR. BIHLER: The new terminal allowance granted to the Union Railroad, namely, 15c. per ton on finished material and 10c. per ton on the rough freight, has been made retroactive to April 1st, 1909, by all the interested roads. The final report of the Engineering Committee should now be in the hands of the Railroad Terminal Committee, and after the report has had full consideration and deliberation by the latter committee, we are hopeful that 15c. per ton allowance will be granted the Union on all classes of freight, although we doubt if all the roads are really willing to increase the figures on the strength of the Committee's findings.

Mr. Townsend sent word that the Engineering Committee, consisting of Mr. John F. Wallace, J. T. Odell and G. H. Kimball, filed their final report with Chairman Wm. Hodgdon on last Friday, May 14th, and there will undoubtedly be a meeting of the General Committee called in the near future to determine what will be done with the terminal allowances, and the indications are that if the railroads are governed by the report of the Engineering Committee that there will be an increase instead of a reduction in the allowances.

* * *

INDEPENDENT STEEL INTERESTS: Mr. Townsend forwarded the following inquiry. It was my understanding that at the meeting held in March, that it was decided and thoroughly understood by all members of this Committee that there would be no communication taken up by any one of us with any of the so-called independent iron and steel interests, i. e., that we were not to ask or give cooperation in any campaign for rate adjustments with the railroads, but I find that one of our members has taken up matters of this kind by a circular letter addressed to Messrs. Ogden, Moore, Ralston, Kennedy, Oxtoby, Youngstown Sheet & Tube Co., as well as the members of this committee.

I would like to be set right on this subject. Is it the plan to agree here and then for one of our members to break out and take independent action? The policy adopted by this Committee I regarded as very important and intended to carry it out without a murmur, although some very important matters from a pipe standpoint have come up recently, where the other manufacturers of wrought pipe could be of assistance, but I have said nothing.

CHAIRMAN: I do not understand that there is to be any deviation from what was agreed to at the March meeting, and would caution all of the members not to get mixed up with outside concerns at this time, and will ask Mr. Young to explain the situation to Mr. Townsend.

* * *

UNITED STATES STEEL CORPORATION.

TRAFFIC ASSOCIATION.

The 90th meeting of the Traffic Association, held in the offices of the Illinois Steel Co., Room 1446, Commercial National Bank Building, Chicago, Ill., Tuesday, June 15th, 1909, at 9:30 A. M., Central Time.

There were present:

Mr. J. S. Keefe (Chairman),	American Steel & Wire Co.
Mr. D. N. Bates,	"
Mr. J. A. Coakley,	"
Mr. C. S. Belsterling,	American Bridge Co.

Mr. A. G. Young,	American Sheet & Tin P. Co.
Mr. F. C. Baird,	Bessemer & Lake Erie R. R. Co.
Mr. W. S. Guy,	Carnegie Steel Co.
(Rep. L. C. Bihler)	Universal Portland C. Co.
Mr. F. E. Learned,	Elgin, Joliet & Eastern Ry.
Mr. F. T. Bentley,	Illinois Steel Co. / Universal Portland C. Co.
Mr. J. F. Townsend,	National Tube Co.
Mr. E. C. Collins,	Pittsburg Steamship Co.
Mr. A. F. Mack,	U. S. Steel P. Export Co.

Meeting was called to order with Mr. J. S. Keefe in the Chair.

* * *

STEEL RAIL RATE READJUSTMENT.

BETHLEHEM, SPARROWS POINT AND STEELTON: It was reported that the indications were this matter had been sidetracked, and revisions asked for by eastern mills would probably not be granted, and if any revisions at all, they would only cover radical inconsistencies.

* * *

UNITED STATES STEEL CORPORATION.

TRAFFIC ASSOCIATION.

The 91st meeting of the Traffic Association, held in Room 1124, Cortlandt Building, New York, Wednesday, July 21st, 1909, at 10:30 A. M.

There were present:

Mr. J. S. Keefe, (Chairman),	American Steel & Wire Co.
Mr. D. N. Bates,	"
Mr. J. A. Coakley,	"
Mr. C. S. Belsterling,	American Bridge Co.
Mr. F. C. Baird,	Bessemer & Lake Erie R. R. Co.
Mr. L. C. Bihler,	Carnegie Steel Co. Universal Portland Cement Co.
Mr. F. T. Bentley,	Illinois Steel Co. Universal Portland Cement Co.

Mr. R. B. Porter,	Lorain Steel Co.
Mr. J. F. Townsend,	National Tube Co.

Meeting was called to order with Mr. J. S. Keefe in the Chair.

* * *

SHARON CONNECTING R. R.: MR. BIHLER: The Carnegie Steel Co. have acquired ownership and control of the Sharon Connecting Railroad at North Sharon, Pa., formerly owned by the Republic Iron & Steel Co.

* * *

RATES ON IRON AND STEEL ARTICLES FROM INDIANA POINTS: It was reported that lines from Fort Wayne, Vincennes, Terre Haute, etc., have advanced their special iron and steel rates to certain Central Freight Association territory to 6th class basis, effective July 1st, and they promise to make further advance to 5th class basis January 1st, next. It seems that they could not well make the complete advance to 5th class at once.

* * *

UNITED STATES STEEL CORPORATION.

TRAFFIC ASSOCIATION.

The 92d meeting of the Traffic Association, held in DM& NRyCo. private car "FRONTENAC" at Hibbing, Minn., Monday, August 23rd, 1909, at 1:00 P. M., Central Time. There were present:

Mr. J. S. Keefe, (Chairman),	American Steel & Wire Co.
Mr. D. N. Bates,	"
Mr. J. A. Coakley,	"
Mr. C. S. Belsterling,	American Bridge Co.
Mr. F. C. Baird,	Bessemer & Lake Erie R. R. Co.
Mr. L. C. Bihler,	Carnegie Steel Co. Universal Portland Cement Co.
Mr. F. E. Learned,	Elgin, Joliet & Eastern Ry. Co.
Mr. F. T. Bentley,	Illinois Steel Co. Universal Portland Cement Co.

Mr. Geo. I. Miller,	National Tube Co.
Mr. A. W. Carey,	Tennessee Coal, Iron & R. R. Co.

Meeting was called to order with Mr. J. S. Keefe in the Chair.

S. B. Duff, Secretary of the meeting.

The minutes of the meeting of July 21st, 1909, were read and approved.

* * *

LAKE RAIL RATES: MR. BIHLER: On Feb. 16th, 1907, an understanding was reached with the Cambria Steel Co. and Lackawanna Steel Co. that on cargo shipments of rails on the Great Lakes from all Lake Michigan and Lake Erie Ports to all Great Lake Ports, except Lake Ontario, the rate would be 90c. per gross ton alongside dock at destination.

We have been held up to as high as $1.40 on some shipments recently and are of the opinion that the Steel Corporation should arrive at some new understanding and not use the 90c. rate any longer.

CHAIRMAN: I will leave this matter in the hands of Messrs. Bihler, Bentley and Townsend, to get in touch individually with the other rail producing companies and endeavor to adjust the question.

* * *

UNITED STATES STEEL CORPORATION.

TRAFFIC ASSOCIATION.

The 94th meeting of the Traffic Association, held in Room 1124 Cortlandt Building, New York, Wednesday, October 20th, 1909, at 10:30 A. M.

There were present:

Mr. J. S. Keefe (Chairman),	American Steel & Wire Co.
Mr. D. N. Bates,	"
Mr. J. A. Coakley,	"
Mr. W. O. Davis,	"
Mr. C. S. Belsterling,	American Bridge Co.
Mr. A. G. Young,	American Sheet & Tin Plate Co.

Mr. L. C. Bihler,	Carnegie Steel Co. Universal Portland Cement Co.
Mr. J. B. Hanson,	Duluth, Missabe & Northern Ry. Co.
Mr. F. E. Learned,	Elgin, Joliet & Eastern Ry. Co.
Mr. F. T. Bentley,	Illinois Steel Co. Universal Portland Cement Co.
Mr. J. F. Townsend,	National Tube Co.
Mr. A. F. Mack,	U. S. Steel Products Export Co.

Meeting was called to order with Mr. J. S. Keefe in the Chair.

S. B. Duff, Secretary of the meeting.

* * *

UNITED STATES STEEL CORPORATION.

TRAFFIC ASSOCIATION.

The 97th meeting of the Traffic Association, held in the offices of the Tennessee Coal, Iron & R. R. Co., Birmingham, Ala., Thursday, January 20th, 1910, at 10:00 A. M. There were present:

J. S. Keefe (Chairman),	American Steel & Wire Company.
D. N. Bates,	"
J. A. Coakley,	"
C. S. Belsterling,	American Bridge Company.
A. G. Young,	American Sheet & Tin Plate Co.
F. C. Baird,	Bessemer & Lake Erie R. R. Co.
L. C. Bihler,	Carnegie Steel Co. Universal Portland Cement Co.
J. B Hanson,	Duluth, Missabe & Northern Ry. Co.
F. E. Learned,	Elgin, Joliet & Eastern Ry. Co.
F. T. Bentley,	Illinois Steel Co. Universal Portland Cement Co.

J. F. Townsend,	National Tube Company.
A. W. Carey,	Tennessee Coal, Iron & R. R. Co.
A. F. Mack,	U. S. Steel Products Export Co.

Meeting was called to order with Mr. J. S. Keefe in the Chair.

• • •

B. & L. E. R. R. CONNECTIONS: The following report submitted by Mr. Baird, Chairman Sub-Committee, appointed at the July meeting, to consider the question of B&LERR connections, was unanimously accepted by the Committee:

Referring to minutes of the Traffic Committee of July 21st, 1909, extract thereof as follows:

"B. & L. E. R. CONNECTIONS.—It being the consensus of "opinion of the Traffic Committee that the more B&LE con- "nections, the freer opportunity the constituent companies "would have to do business with the B&LE, and also the "better effect it would have on the whole terminal situation, "the following committee was appointed by the Chairman to "take up the question of increasing the B&LE connections "with the Corporation industrial plants in the Pittsburg dis- "trict:

Messrs. F. C. Baird, Chairman, W. O. Davis, J. F. Townsend and L. C. Bihler.

Your committee beg to submit the following report with reference to greater tonnage available to and from Corporation Mills in the Pittsburg district through construction of new branch lines or extensions from present tracks of the B&LERR or Union R. R.:

STATEMENT TONNAGE AVAILABLE ACCOUNT THE SEVERAL SPECIFIED CONSTITUENT COMPANIES.

	Raw Material Tons	Production Tons
CARNEGIE STEEL COMPANY.		
Lucy and Isabella Furnaces, Sharpsburg and Etna, Pa.	1,900,000	475,000
Clairton, Pa.	1,400,000	325,000
NATIONAL TUBE CO.		
McKeesport, Pa.	1,861,000	516,000

American Sheet & Tin Plate Co.		
Vandergrift, Pa.	450,000	200,000
American Steel & Wire Co.		
Braddock Plant	105,000	105,000
Total	5,716,000	1,621,000

Analysis.

	Raw Material Tons
Iron Ore	2,690,000
Limestone	615,000
Coke	1,293,000
Metal	455,000
Miscellaneous	914,000

	5,716,000	Tons
Manufactured Iron, etc.	1,621,000	"
Total	7,337,000	
To B. & L. E. R. R.—50%	3,668,500	Tons
B. & L. E. R. R. and Union R. R. earnings now paid to other roads	$2,500,000.00	

Explanation in Detail Covering the Several Proposed Track Connections.

Sharpsburg and Etna Connections could be accomplished by construction of separate branch lines of several miles each; would effect economical movement of inter-mill materials with less delay, etc.; freight revenue thereon accruing to Corporation Railroads.

McKeesport, Pa., Connection could be effected by construction of a bridge across Monongahela River, connecting with Union R. R. opposite Duquesne Steel Works, giving to that operation access to the additional railroad facilities with corresponding relief from car shortage, better despatch on manufactured products and greater protection from unfair rates, etc.

VANDERGRIFT CONNECTION could be made by branch line of approximately nineteen miles, changing from a local station to a common point with corresponding benefits.

BRADDOCK CONNECTION can be completed by construction of one hundred yards of track by Union R. R. after consummation of A. S. & W. Co. plans, which will give approach by Union R. R. to their modified loading tracks and platforms independent of the property of other railroads now serving that operation.

The only obstacle to be encountered here, is whether, under contract covering crossing of P. & L. E. tracks by Union R. R., freight can be interchanged between this plant and B. & L. E. R. R., but as much involved to be gained without expense, we believe every effort should be made to accomplish full interchange.

CLAIRTON CONNECTION could be effected by extension of Union R. R. seven and one-half miles with corresponding benefits and profit to Corporation.

The Sharpsburg, Etna, Vandergrift and Clairton extensions would incidentally make tributary to Corporation Railroad facilities, approximate tonnage of Bituminous Coal amounting to 350,000,000 tons, three-quarters of which is in evidence today, based upon actual drilling of territory, and has been proven to make an ideal coke for open hearth purposes, and in any event, would, in future, replace rapidly diminishing volume of Pittsburg coal now tributary to present facilities, and would tend to increase to a considerable extent the northbound tonnage, which would cheapen operations of the railroad with corresponding increase in profit and doubtless, in time, give a compensating movement northbound, eliminating to material extent, present empty car movement.

Under present conditions imposed by Interstate Law governing rate operations of railroads, the railroad facilities of the Corporation have proven of considerable value by reason of affording protection from unfair rate adjustments and assisting in obtaining readjustments of rates given to competitors, consequently, any increase in tonnage and scope of rails will be reflected in increased ability to better serve interests of Subsidiary Companies. Therefore, we recommend for most serious consideration any steps that may accom-

plish this end, and subscribe to the belief that the greater the scope of our railroad facilities, the greater the measure of our protection and benefits from more favorable rate adjustments to be obtained thereby.

* * *

UNITED STATES STEEL CORPORATION.

TRAFFIC ASSOCIATION.

The 98th meeting of the Traffic Association, held in Room 1616, Empire Building, New York, Wednesday, Feb. 16th, 1910, at 10:30 A. M.

There were present:

J. S. Keefe (Chairman),	American Steel & Wire Company.
J. A. Coakley,	"
C. S. Belsterling,	American Bridge Company.
A. G. Young,	American Sheet & Tin Plate Co.
F. C. Baird,	Bessemer & Lake Erie R. R. Co.
L. C. Bihler,	Carnegie Steel Co. Universal Portland Cement Co. Illinois Steel Co.
F. T. Bentley,	Universal Portland Cement Co.
J. F. Townsend,	National Tube Company.
E. C. Collins,	Pittsburg Steamship Company.
A. W. Carey,	Tennessee Coal, Iron & R. R. Co.
A. F. Mack,	U. S. Steel Products Export Co.

The meeting was called to order with Mr. J. S. Keefe in the Chair.

* * *

UNITED STATES STEEL CORPORATION.

TRAFFIC ASSOCIATION.

The 100th meeting of the Traffic Association, held in Room 1616, Empire Building, New York, Wednesday, April 20th, 1910, at 10:30 A. M.

There were present:

J. S. Keefe (Chairman),	American Steel & Wire Company.
D. N. Bates,	"

J. A. Coakley,	"
C. S. Belsterling,	American Bridge Company.
A. G. Young,	American Sheet & Tin Plate Co.
F. C. Baird,	Bessemer & Lake Erie R. R. Co.
L. C. Bihler,	Carnegie Steel Co. Universal Portland Cement Co.
F. E. Learned,	Elgin, Joliet & Eastern Ry. Co.
F. T. Bentley,	Illinois Steel Company. Universal Portland Cement Co.
R. B. Porter,	Lorain Steel Company.
J. F. Townsend,	National Tube Company.
E. C. Collins,	Pittsburg Steamship Company.
A. W. Carey,	Tennessee Coal, Iron & R. R. Co.
A. F. Mack,	U. S. Steel Products Export Co.

The meeting was called to order with Mr. J. S. Keefe in the Chair.

* * *

Rebilling: In view of the recent ruling of the Interstate Commerce Commission, the question was brought up as to the legality of having the railroad companies' agent act as Forwarding Agent, when using the combination of locals to defeat a through rate, the Agent is asked to have shipment rebilled at an intermediate point.

After discussion, the Chairman requested that Mr. Belsterling take this matter up and give the committee a decision as to whether the railroads can legally perform this service for shipper.

* * *

UNITED STATES STEEL CORPORATION.

TRAFFIC ASSOCIATION.

The 102d meeting of the Traffic Association, held in Room 1616, Empire Building, New York, Friday, June 17th, 1910, at 10:30 A. M.

There were present:

J. S. Keefe (Chairman),	American Steel & Wire Company.
D. N. Bates,	" " " "
J. A. Coakley,	" " " "
C. S. Belsterling,	American Bridge Company.
A. G. Young,	American Sheet & Tin Plate Co.
F. C. Baird,	Bessemer & Lake Erie R. R. Co.
L. C. Bihler,	Carnegie Steel Company. Universal Portland Cement Co.
F. E. Learned,	Elgin, Joliet & Eastern Ry. Co.
M. N. Billings,	Illinois Steel Company. Universal Portland Cement Co.
R. B. Porter,	Lorain Steel Company.
J. F. Townsend,	National Tube Company.
E. C. Collins,	Pittsburg Steamship Company.
A. W. Carey,	Tennessee Coal, Iron & R. R. Co.
A. F. Mack,	U. S. Steel Products Export Co.

The meeting was called to order with Mr. J. S. Keefe in the Chair.

* * *

REBILLING IN TRANSIT: Several questions having been raised regarding rebilling in transit, the matter was left in the hands of the following committee: Messrs. C. S. Belsterling, Chairman, F. T. Bentley, L. C. Bihler, J. A. Coakley, D. N. Bates, and A. G. Young.

* * *

UNITED STATES STEEL CORPORATION.

TRAFFIC ASSOCIATION.

The 103d meeting of the Traffic Association, held in Room 1616, Empire Building, New York, Wednesday, July 20th, 1910, at 10:30 A. M.

There were present:

J. S. Keefe (Chairman),	American Steel & Wire Company.
D. N. Bates,	" " " "
J. A. Coakley,	" " " "
C. S. Belsterling,	American Bridge Company.
F. C. Baird,	Bessemer & Lake Erie R. R. Co.
L. C. Bihler,	Carnegie Steel Company. Universal Portland Cement Co.
F. T. Bentley,	Illinois Steel Company. Universal Portland Cement Co.
R. B. Porter,	Lorain Steel Company.
J. F. Townsend,	National Tube Company.
E. C. Collins,	Pittsburg Steamship Company.
A. W. Carey,	Tennessee Coal, Iron & R. R. Co.
A. F. Mack,	U. S. Steel Products Export Co.

The meeting was called to order with Mr. J. S. Keefe in the Chair.

S. B. Duff, Secretary of the meeting.

The minutes of the meeting of June 17th, 1910, were read and approved.

* * *

REBILLING IN TRANSIT: The committee expect to make definite report at the next meeting.

* * *

NEXT MEETING: It was decided that the next meeting be held in Chicago on Wednesday, September 21st, 1910, at 9:30 A. M., Central Time, Room 1446, Commercial National Bank Building. On motion, meeting adjourned.

UNITED STATES STEEL CORPORATION.

TRAFFIC ASSOCIATION.

The 104th meeting of the Traffic Association, held in Room 1446, Commercial National Bank Building, Chicago, Ill., Friday, September 16th, 1910, at 10:30 A. M., C. T.

There were present:

J. S. Keefe (Chairman),	American Steel & Wire Company.
D. N. Bates,	" " " "
J. A. Coakley,	" " " "
A. G. Young,	American Sheet & Tin Plate Co.
F. C. Baird,	Bessemer & Lake Erie R. R. Co.
L. C. Bihler,	Carnegie Steel Company. / Universal Portland Cement Co.
J. B. Hanson,	Duluth, Missabe & Northern Ry. Co.
F. E. Learned,	Elgin, Joliet & Eastern Ry. Co.
F. T. Bentley,	Illinois Steel Company. / Universal Portland Cement Co.
R. B. Porter,	Lorain Steel Company.
J. F. Townsend,	National Tube Company.
E. C. Collins,	Pittsburg Steamship Company.
A. F. Mack,	U. S. Steel Products Company.

The meeting was called to order with Mr. J. S. Keefe in the Chair.

* * *

THROUGH RATE *v.* SUMS OF LOCALS: Mr. Bentley: I have had some correspondence with the Legislative Committee on the new Act, on the basis of the sums of locals *vs.* the higher through rates. I put the matter up to our attorneys, and also took it up with Mr. Belsterling, who had the matter up with Judge Reed, and the consensus of opinion of both Legal Departments is that the higher through rate will have to be paid and then make relief claims through the Interstate Commerce Commission.

* * *

REBILLING IN TRANSIT: Mr. Young: Mr. Belsterling, Chairman of the subject of rebilling in transit reports that a meeting of the sub-committee was held in Pittsburg on August

16th, and as a result of that meeting the procedure, as per attached copy of minutes, was unanimously decided upon. It was decided that the report of the sub-committee be adopted and incorporated in the minutes, as follows:

"The sub-committee appointed to consider and recommend a lawful practice in this matter went over the subject very thoroughly."

"A number of legal opinions were read, among which was a very able opinion from Mr. Duncan, of Squires, Sanders & Dempsey, to the effect that it is necessary to take physical possession of the property at rebilling point in order to obtain the benefit of the sum of locals."

"Notwithstanding this, it was the consensus of opinion of all that there is nothing in the law specifically requiring a shipper, through his agent or representative, to take physical possession of such property on arrival at first destination; the Commission in citing the law stated that the Supreme Court of the United States has held that a shipper may transport merchandise to a given point, take possession of it at that point and reship it, even though the effect of the transaction is to secure transportation from a point in one state to a point in another at a less cost than the published through interstate rate, and further, the Commission itself has decided that the possession must either be actual or constructive."

"It is uniformly held, however, that no agent of a carrier may lawfully act as the reconsigning or forwarding agent of the shipper in such transactions when such reshipments or reconsignments have the effect of securing for that shipment lower transportation charges than those measured by the specifically published through rate from point of origin to point of destination of the shipment."

"After an exhaustive study of all the pertinent decisions, both by the Federal Courts and the Interstate Commerce Commission, and of the various opinions of counsel, it was decided that when a shipment was consigned to some given point and it was found necessary or convenient to have such shipment rebilled to a new destination, the following practice may be followed in order to bring it within the law as laid down by the Interstate Commerce Commission, whose

"specific rulings in this matter have not been before any Fed-
"eral Courts for construction:

1. "Material should be consigned to some party other "than any railroad company, or any agent interested in the "contract of transportation."

2. "The charges should be fully paid to the first con-
"signed point to the carrier or carriers, party to the original "contract for transportation; in other words, the back charges "should not be allowed to follow with the rebilling."

3. "After the arrival of the property at the originally "consigned point and delivery effected to the consignee, "either actually or constructively, thus completing the first "transaction, a new bill of lading from that point should be "properly made out and tendered to the proper traffic official "of the road with whom the new contract of transportation "is made, but in no case is it permissible to employ the serv-
"ices of the carriers' agent at the rebilling point for the pur-
"pose of taking delivery or acting as forwarding agent, or "making out new contract."

4. "Actual physical delivery of the property is construed "to mean taking the lading out of the car by the consignee "or its agent at the first destination and paying all trans-
"portation charges that may be lawfully due thereon. Con-
"structive delivery is where the consignee or its agent, other "than an employe of a railroad, assumes custody of the prop-
"erty and pays all freight charges thereon, thus in both cases "executing the contract of transportation and relieving the "railroad company from all further liability thereunder."

5. "The above is not to be construed as in conflict with "the practice now in vogue with some of the subsidiary com-
"panies under which a shipment is consigned to a District "Sales Manager or to an agent other than an employe of "any interested carrier at some given point, such consignee "taking actual or constructive possession of the property and "reshipping under a new bill of lading to new destination, "making two separate transportation contracts."

* * *

UNITED STATES STEEL CORPORATION.

TRAFFIC ASSOCIATION.

The 109th meeting of the Traffic Association, held in Room 1616, Empire Building, New York, Wednesday, February 15th, 1911, at 10:30 A. M.

There were present:

J. S. Keefe (Chairman),	American Steel & Wire Company
D. N. Bates,	" " " "
J. A. Coakley,	" " " "
C. S. Belsterling,	American Bridge Company
A. G. Young,	American Sheet & Tin Plate Co.
F. C. Baird,	Bessemer & Lake Erie R. R. Co.
L. C. Bihler,	Carnegie Steel Company / Universal Portland Cement Co.
F. E. Learned,	Elgin, Joliet & Eastern Ry. Co.
F. T. Bentley,	Illinois Steel Company / Universal Portland Cement Co.
J. F. Townsend,	National Tube Company
E. C. Collins,	Pittsburg Steamship Company
A. W. Carey,	Tennessee Coal, Iron & R. R. Co.
A. F. Mack,	U. S. Steel Products Company

The meeting was called to order with Mr. J. S. Keefe in the Chair.

* * *

RATES TO MISSOURI RIVER POINTS: Mr. Young: The Chicago Milwaukee & St. Paul Ry. Co. through an error issued Freight Tariff No. 7300-B, putting in a rate of 10c. per 100 lbs. between Kansas City and St. Louis to Ottumwa, Iowa, on all kinds of iron and steel articles.

One of the Kansas City jobbers discovered this rate and wrote our company, as well as the American Steel & Wire Co., asking that a credit of 4c. per 100 lbs. be given them on all shipments dating back to May 10th, 1910.

We took the matter up with General Freight Agent Pierpont, of the CM&StPRy, who writes us advising that Tariff G. F. D. 7300-B, Item 41-A, was intended to name rate of 10c. per 100 lbs., in carloads, minimum 36,000 lbs., eastbound only and from specific Missouri River points to

Ottumwa. The CM&StPRy admit, however, that the tariff is misleading, but state that the rate as they see it is applicable eastbound only and cannot undertake to apply it on westbound business.

After discussion, it was decided that all companies decline to allow the refunds asked for by customers.

CHAIRMAN: I think Mr. Pierpont should be given to understand pretty thoroughly that before changing rates in iron and steel tariffs, it would be a good thing for him to confer with the Steel Corporation people. I will leave this matter in the hands of Messrs. Davis and Bentley.

* * *

UNITED STATES STEEL CORPORATION.

TRAFFIC ASSOCIATION.

The 110th meeting of the Traffic Association, held in Room 1817, Empire Building, New York, Wednesday, March 15th, 1911, at 10:30 A. M.

There were present:

J. S. Keefe (Chairman),	American Steel & Wire Company
D. N. Bates,	" " " "
J. A. Coakley,	" " " "
C. S. Belsterling,	American Bridge Company
A. G. Young,	American Sheet & Tin Plate Co.
W. S. Guy,)	(Carnegie Steel Company
F. A. Kelly, (	)Universal Portland Cement Co.
F. E. Learned,	Elgin, Joliet & Eastern Ry. Co.
F. T. Bentley,	(Illinois Steel Company)Universal Portland Cement Co.
R. B. Porter,	Lorain Steel Company
J. F. Townsend,	National Tube Company
E. C. Collins,	Pittsburg Steamship Company
A. W. Carey,	Tennessee Coal, Iron & R. R. Co.
A. F. Mack,	U. S. Steel Products Company.

The meeting was called to order with Mr. J. S. Keefe in the Chair.

S. B. Duff, Secretary of the meeting.

The minutes of the meeting of February 15th, 1911, were read and approved.

ADDRESS BY PRESIDENT: President Farrell, of the United States Steel Corporation, addressed the meeting briefly on the business conditions, which he showed to be uniformly in good shape throughout the various sections of the country and among various lines of manufacturing and transportation. He made the suggestion that the Traffic Managers generally endeavor to influence and assist in the securing of all business possible to corporation companies from the railroad companies. He cited the fact that our competitors were alert to such advantages in the sale of goods and hoped that we would avail ourselves of our opportunities along the same lines.

* * *

RATE, PIG TIN: Mr. Young: I want to report that the import rate on pig tin has been reduced to the basis of 23c. per 100 lbs. New York to Chicago, compared with the former 30c. basis, which will give a reduction of 4c. in the Pittsburg district and 6½c. in the Indiana district.

I desire to state that the credit for this reduction is entirely due the Central Railroad of New Jersey, that road having taken independent action after being voted down by the Import Truck Line Committee, and I think this should be taken into consideration when dealing with the Central Railroad.

* * *

UNITED STATES STEEL CORPORATION.

TRAFFIC ASSOCIATION.

The 111th meeting of the Traffic Association, held in Room 1817, Empire Building, New York, Wednesday, April 19th, 1911, at 10:30 A. M.

There were present:

J. S. Keefe (Chairman), American Steel & Wire Company
D. G. Kerr, U. S. Steel Corporation

D. N. Bates,	American Steel & Wire Company
J. A. Coakley,	" " " "
C. S. Belsterling,	American Bridge Company
A. G. Young,	American Sheet & Tin Plate Co.
F. C. Baird,	Bessemer & Lake Erie R. R. Co.
*L. C. Bihler,	Carnegie Steel Company
*F. T. Bentley,	Illinois Steel Company
J. F. Townsend,	National Tube Company
E. C. Collins,	Pittsburg Steamship Company
A. W. Carey,	Tennessee Coal, Iron & R. R. Co.
A. F. Mack,	U. S. Steel Products Company

*Universal Portland Cement Co.

The meeting was called to order with Mr. J. S. Keefe in the chair.

* * *

RATES, PITTSBURG *vs.* BUFFALO: It was reported that from a railroad standpoint, there has been a readjustment of class rates as between Pittsburg, Erie, Pa., and Buffalo, which will have the effect of advancing the 5th class rates from Buffalo to many points in Southern Indiana, Ohio and Michigan 40c. a ton, and Cincinnati will go up 30c. a ton.

There will be a recheck of these rates and it will probably be ninety days before the matter is settled.

It was explained that the Milwaukee rate situation is still unsettled.

* * *

UNITED STATES STEEL CORPORATION.

TRAFFIC ASSOCIATION.

FABRICATION IN TRANSIT: The following resolution from Mr. Bentley was introduced and put on the table for discussion:

WHEREAS, the practice of allowing structural and bridge Steel to be stopped in transit for fabrication at through rate to final destination has been granted by publication of the carriers to many points and is being rapidly extended to the remaining points, and

WHEREAS, the granting of this privilege has the effect of removing geographical location advantages in placing the

most poorly located plants on a parity with the best located plants, and

WHEREAS, the principle thus coming to be recognized as a standard is causing many other lines of trade to demand the same for their products, and

WHEREAS, it is not the province of railways to discriminate between industries or to so arrange their rates as to deprive the shippers of their natural location and shipping advantages, and

WHEREAS, the growth of this principle is against the individual interests of our various Companies, which have many plants located at either the primary steel producing points or at primary rate breaking points which do not require a fabricating-in-transit rule, therefore,

RESOLVED, That we favor the cancellation of the fabrication in transit rules from the various railway tariffs.

CHAIRMAN: As I understand it, this resolution is brought up by Mr. Bentley at the suggestion and request of his President, Mr. Buffington.

MR. BENTLEY: There is a meeting to be held next Tuesday in St. Louis on the question of extending this practice in the Southwest, and I took the matter up with our President to see whether we could not get a uniform policy.

There is one concern on the Missouri River has bought 25,000 tons for fabrication on which 50% has been bought outside of the Steel Corporation, and they can buy and deliver fabricating material in Oklahoma and Texas for $1.10 a ton less than it can be bought in Chicago. It is simply wrecking our company from a sales proposition in the West. It amounts to this on every ton that goes Oklahoma, the Corporation loses $3.50 on every ton that we sell; the consignee makes 5½c, and the railroad is taking out of its earnings and giving the consignee to enable him to do it. Of course, we all naturally make the same price at the point of fabrication and from there on the rate is the same. My proposition is this. I realize that while this is a traffic, sales and corporation policy matter, it boils itself down in the end as to whether or not it is better for the Steel Corporation, as a Corporation,

to possibly have to abandon some poorly located mills and give us all of our advantages to sell our material, i. e., plain makers like the Carnegie Steel Co. and ourselves.

CHAIRMAN: This is a wide spread subject and beyond this Committee to settle definitely, but I think it is wise to discuss the views of each individual company before we get through.

MR. BELSTERLING: I regret that I do not agree with the statements made in this resolution, nor in the statement that the practice is wrecking the sales of the Illinois Steel Company in the West. The fabricating in transit privilege has been in existence from time immemorial, therefore, if the Illinois Steel Co. is being wrecked by it, the Steel Co. would have been a thing of the past years ago.

Milling in transit into the Southwest does not impress us very seriously—the privilege is open to all; however, Texas is a water proposition and Oklahoma is a negligible quantity. It is absurd to contend that we should cancel our transit privileges, netting in freight saving alone last year of $150,000.00 to insure the rolling of a possible few tons for Oklahoma at Chicago instead of Pittsburg. Numerous plants have grown under it, and it would be a very unwise policy for the Corporation to take up anything with the railroads that would affect these shops. The proposed resolution is extremely radical on its face.

Mr. Baker wired to Mr. Hatfield, asking for a meeting here today or tomorrow to discuss this matter between Mr. Hatfield, Mr. Bentley and myself, and Mr. Hatfield wired Mr. Baker that the matter should be taken up with Mr. Ziesing, as it was an operating question, and, therefore, until that committee meets and arrives at just what are the facts in this case, it is not proper or parliamentarian to place these whereases and resolution upon the minutes. Let us investigate and give all concerned a hearing before we arrive at any conclusions.

MR. TOWNSEND: The thought occurs to me that the objection to this milling in transit proposition is because there are a great many applications springing up for various things. For instance, one to dip pipe in transit, etc., at Chicago, and other places.

Is there anybody in this room who thinks that the rail-

roads are going to take any of our commodities and put a milling in transit rating in effect if we do not ask for it? I do not. I do not think there is a railroad in this country that will do it, so that is no argument, and it seems to me if there is one company that feels that this is a life and death proposition with some of its plants that are located away from the raw material, the question ought to be given very serious consideration and not cite the different propositions that are put up by other steel interests that the railroads are not consenting to and every railroad is against. Here is a thing that has been in effect for several years and the Bridge Company, as its plants are situated, must have continued or the plants will be worthless. It does not seem to me that this body should take any action that is going to hamper one of our own companies. I certainly would be opposed to the resolution.

* * *

United States Steel Corporation.

TRAFFIC ASSOCIATION.

The 112th meeting of the Traffic Association, held in Room 1446, Commercial National Bank Building, Chicago, Wednesday, May 17th, 1911, at 9:30 A. M., Central Time.

There were present:

J. S. Keefe (Chairman),	American Steel & Wire Company.
F. E. Learned,	Honorary Member.
D. N. Bates,	American Steel & Wire Company.
C. S. Belsterling,	American Bridge Company.
A. G. Young,	American Sheet & Tin Plate Co.
F. C. Baird,	Bessemer & Lake Erie R. R. Co.
*L. C. Bihler,	Carnegie Steel Company.
J. B. Hanson,	Duluth & Iron Range R. R. Co.
W. L. Louis,	Elgin, Joliet & Eastern Ry. Co.
*F. T. Bentley,	Illinois Steel Company.
R. B. Porter,	Lorain Steel Company.
J. F. Townsend,	National Tube Company.
E. C. Collins,	Pittsburg Steamship Company.
A. W. Carey,	Tennessee Coal, Iron & R. R. Co.
A. F. Mack,	U. S. Steel Products Company.

*Universal Portland Cement Co.

The meeting was called to order with Mr. J. S. Keefe in the Chair.

* * *

ADVANCE FREIGHT RATES: MR. TOWNSEND: It has been intimated to us by the Chicago, Burlington & Quincy Railroad Co. that effective July 1st, the rates on steel commodities, including billets, also on pig iron, will be advanced to Kewanee, and will, after that date, be on the Mississippi River basis.

It is further stated that this advance is not made at the suggestion of the Burlington, but is a part of the general plan adopted by the Central Freight Association for an advance on all iron commodities to all points, Mississippi River and East.

* * *

RATES, STRUCTURAL STEEL, TEXAS: MR. BELSTERLING: I presume you have noticed that there has been quite a little disturbance in rates in Texas on structural steel. We are still doing business in Texas and are getting some very nice contracts. It appears that the Southwestern Mechanical Company, located at Fort Worth, went to the Missouri, Kansas & Texas Ry. some months ago and had them make application to the Texas Railroad Commission to establish a differential between plain and structural steel. The petition was sent by Mr. West, of the MK&T, to Mr. Groseclose to take up with our company. Mr. Groseclose sent the papers to his Pittsburg representative, but the matter was neither brought to my attention nor to the attention of my office; I heard of it through an outside source, when it was too late, as the matter had already been placed upon the Texas Railroad Commission docket.

I have taken exceptions to the way the MK&T have handled this proposition, for if the matter had been put up to us in the first place, as suggested by Mr. West to Mr. Groseclose, we would not have had this trouble.

I have accordingly advised the MK&T that their action was not conducive to their securing much freight from the Bridge Company.

RATE, SPELTER AND LEAD: It was reported that the executives of the Eastern and Western Lines considered the

question of proposed advance in rates on spelter and lead last week and decided no advance could be made at the present time.

The Lines referred to could not get together on the proposition, so that it is held over for an indefinte period.

REBILING IN TRANSIT: MR. DAVIS: We have had some difficulty recently in handling rebilling in transit with one road in Chicago District, the Chicago, Milwaukee & St. Paul Railway. We have been following the practice as outlined in resolution adopted by the committee that considered this question on August 16th, 1910, by using the general office of the railroad company as the forwarding agent by which constructive delivery at reconsigning point is taken. The CM&StP will not recognize any such an arrangement. I have put the matter up to our attorneys, and Mr. Knapp has advised that the practice was a very dangerous one; while he was not fully satisfied, he says we are running a great danger if we continue.

After discussion, the matter was left in the hands of the committee handling Transit Privileges, of which Mr. C. S. Belsterling is Chairman, to consider this question and report further at the next meeting.

* * *

UNITED STATES STEEL CORPORATION.

TRAFFIC ASSOCIATION.

The 113th meeting of the Traffic Association, held in Room 1817, Empire Building, New York, Wednesday, June 21st, 1911, at 10:30 A. M.

These were present:

J. S. Keefe (Chairman),	American Steel & Wire Company.
D. G. Kerr,	U. S. Steel Corporation.
D. N. Bates,	American Steel & Wire Company.
J. A. Coakley,	"
C. S. Belsterling,	American Bridge Company.
A. G. Young,	American Sheet & Tin Plate Co.
*L. C. Bihler,	Carnegie Steel Company.
W. L. Louis,	Elgin, Joliet & Eastern Ry. Co.
*F. T. Bentley,	Illinois Steel Company.

R. B. Porter,	Lorain Steel Company.
J. F. Townsend,	National Tube Company.
E. C. Collins,	Pittsburg Steamship Company.
A. W. Carey,	Tennessee Coal, Iron & R. R. Co.
A. F. Mack,	U. S. Steel Products Company.
	*Universal Portland Cement Co.

The meeting was called to order with Mr. J. S. Keefe in the Chair.

* * *

SWITCHING: Mr. Young called attention to the fact that at some points the railroads had failed to include in their tariff provision for charge to cover second placing of a car to finish loading or unloading. He stated that the matter was up with the railroads in the Pittsburg district to try to establish a uniform charge of 50c. for each additional movement within a mill yard beyond the one free placing of car to load or unload, and suggested that other interested companies cooperate and take similar action.

MR. TOWNSEND: I wish to say that we went over our different plants at the request of Judge Gary and the only one that we feel that there is inter-mill switching being performed by the Railroad was at Kewanee Works, and last week I asked General Freight Agent Puffer of the Chicago, Burlington & Quincy, to restore the tariff of 50c. for a carload or part car.

CHAIRMAN: I will leave this whole matter of switching to the Pittsburg Committee.

* * *

MR. BIHLER: The matter has not been entirely settled by our company as yet.

* * *

RESHIPPING: Mr. Belsterling, Chairman of Committee on Transit Privileges, submitted the following report:

The meeting of the Committee on Transit Privileges was held in Room 1817, at which meeting a letter was read from K. K. Knapp concurring in the recommendations adopted in a meeting held August 16th, 1910, on the subject of reshipping, and at Mr. Knapp's suggestion, the following additional rule in the nature of a caution was added to the minutes of the previously mentioned meeting:

6. "The important point to be kept in mind is that (1) "the shipment to the first destination should be made one dis- "tinct transaction covered by a distinct contract and the ship- "ment to the second destination should likewise be made one "distinct transaction covered by a distinct contract and (2) "nothing should be done which may make the two shipments "appear to be really one transaction or arrangement disguised "as two."

The meeting unanimously adopted this recommendation and also Mr. Knapp's further suggestion to term this practice "reshipping."

The report of the sub-committee was accepted and revised report will be forwarded in due course to each member of the general committee.

* * *

UNITED STATES STEEL CORPORATION.

TRAFFIC ASSOCIATION.

The 114th meeting of the Traffic Association, held in Room 1817, Empire Building, New York, Wednesday, August 16th, 1911, at 10:30 A. M.

There were present:

J. S. Keefe, (Chairman)	American Steel & Wire Company
D. N. Bates,	" " " "
J. A. Coakley,	" " " "
C. S. Belsterling,	American Bridge Company
A. G. Young,	American Sheet & Tin Plate Co.
F. C. Baird,	Bessemer & Lake Erie R. R. Co.
*L. C. Bihler,	Carnegie Steel Company
J. B. Hanson,	Duluth, Missabe & Northern Ry. Co.
W. L. Louis,	Elgin, Joliet & Eastern Ry. Co.
*F. T. Bentley,	Illinois Steel Company
R. B. Porter,	Lorain Steel Company
J. F. Townsend,	National Tube Company
E. C. Collins,	Pittsburg Steamship Company
A. W. Carey,	Tennessee Coal, Iron & R. R. Co.
A. F. Mack,	U. S. Steel Products Company

*Universal Portland Cement Co.

The meeting was called to order with Mr. J. S. Keefe in the Chair.

* * *

United States Steel Corporation.

TRAFFIC ASSOCIATION.

The 115th meeting of the Traffic Association, held in Room 1817, Empire Building, New York, Wednesday, September 20th, 1911, at 10:30 A. M.

There were present:

J. S. Keefe, (Chairman)	American Steel & Wire Company
D. N. Bates,	" " " "
J. A. Coakley,	" " " "
F. A. Bedford,	American Bridge Company
A. G. Young,	American Sheet & Tin Plate Co.
F. C. Baird,	Bessemer & Lake Erie R. R. Co.
*L. C. Bihler,	Carnegie Steel Company
W. L. Louis,	Elgin, Joliet & Eastern Ry. Co.
*F. T. Bentley,	Illinois Steel Company
J. F. Townsend,	National Tube Company
A. W. Carey,	Tennessee Coal, Iron & R. R. Co.
A. F. Mack,	U. S. Steel Products Company

*Universal Portland Cement Co.

The meeting was called to order with Mr. J. S. Keefe in the Chair.

* * *

Missouri Rates—Intrastate: Mr. Bentley: The Missouri Railroad Commission have ordered in a new line of intrastate rates on various articles of iron and steel manufacture, carloads. The figures have been worked out on a mileage basis, making a 17c. rate between the Mississippi and Missouri Rivers, and if finally adopted, our through interstate rates to points in that territory will be materially reduced by shipping to some Mississippi River crossing and re-shipping from there to final point of destination. We are advised confidentially that interested lines are going to fight the adoption of these rates and their attorneys are now collecting data on which to base an injunction. If the adoption of these rates

cannot be prevented, the railroads will publish 22c. from Chicago.

* * *

UNITED STATES STEEL CORPORATION.

TRAFFIC ASSOCIATION.

The 116th meeting of the Traffic Association, held in Room 1817, Empire Building, New York, Wednesday, October 18th, 1911, at 10:30 A. M.

There were present:

J. S. Keefe, (Chairman)	American Steel & Wire Company
D. N. Bates,	" " " "
J. A. Coakley,	" " " "
C. S. Belsterling,	American Bridge Company
A. G. Young,	American Sheet & Tin Plate Co.
F. C. Baird,	Bessemer & Lake Erie R. R. Co.
*L. C. Bihler,	Carnegie Steel Company
W. L. Louis,	Elgin, Joliet & Eastern Ry. Co.
*F. T. Bentley,	Illinois Steel Company
J. F. Townsend,	National Tube Company
E. C. Collins,	Pittsburg Steamship Company
A. W. Carey,	Tennessee Coal, Iron & R. R. Co.
A. F. Mack,	U. S. Steel Products Company

*Universal Portland Cement Co.

The meeting was called to order with Mr. J. S. Keefe in the Chair.

* * *

ASSOCIATE MEMBERSHIP A. R. A.: Mr. Bihler reported that the Union Railroad application for membership in the American Railway Association was declined by the Executive Committee, inasmuch as under their articles of organization the Union is not considered eligible, and the Union has asked them to advise wherein their failure to meet the requirements existed, as the Union desires membership and would like to meet the qualifications if possible.

MR. TOWNSEND: We have just received advice from General Secretary W. F. Allen that the application on behalf of the Lake Terminal Railroad for associate membership in the

American Railway Association was again considered by the Executive Committee at its meeting on October 11th, 1911, and that in its opinion, under the articles of organization of the Association, the Lake Terminal Co. is not eligible for associate membership, and it was, therefore, unable to approve the application.

* * *

UNITED STATES STEEL CORPORATION.

TRAFFIC ASSOCIATION.

The 117th meeting of the Traffic Association, held in Room 1817, Empire Building, New York, Wednesday, November 15th, 1911, at 10:30 A. M.

There were present:

J. S. Keefe, (Chairman)	American Steel & Wire Company
D. N. Bates,	"
C. S. Belsterling,	American Bridge Company
A. G. Young,	American Sheet & Tin Plate Co.
F. C. Baird,	Bessemer & Lake Erie R. R. Co.
*L. C. Bibler,	Carnegie Steel Company
W. L. Louis,	Elgin, Joliet & Eastern Ry. Co.
*F. T. Bentley,	Illinois Steel Company
R. B. Porter,	Lorain Steel Company
J. F. Townsend,	National Tube Company
A. F. Mack,	U. S. Steel Products Company

*Universal Portland Cement Co.

The meeting was called to order with Mr. J. S. Keefe in the Chair

* * *

ASSOCIATE MEMBERSHIP A. R. A.: MR. TOWNSEND: Referring to the application that the Lake Terminal Railroad made for associate membership in the American Railway Association, we have pressed General Secretary Allen for an explanation as to just why this railroad is not eligible for association membership, to which he replied that he had no authority to give the views of the Executive Committee on this subject.

Naturally, we have felt compelled to take the matter up with the individual members of the Executive Committee, and

it is gratifying to me to be able to say that we have received favorable replies from a majority of the members, among which was a communication from President Daniel Willard, of the Association, advising that he was very much interested in the proposition and had turned our letter over to General Secretary Allen, instructing him to have the subject again considered by the Executive Committee, and that it would have consideration at the meeting in Chicago today.

Later, word was received to the effect that the Union, Lake Terminal and Newburgh & South Shore roads were all voted on favorably by the Executive Committee of the American Railway Association for associate membership.

* * *

The following Minutes of the Finance Committee of the United States Steel Corporation (Record, page 1963 to page 1978), are offered in evidence by the Petitioner under the foregoing Stipulation, dated June 26th, 1912 (Volume II, Government Exhibits, page 359), for all purposes for which said Minutes are competent and relevant.

Each and all of said Minutes are objected to by Counsel for said Defendants on the ground of incompetency, irrelevancy and immateriality.

MINUTES OF THE MEETINGS OF THE FINANCE COMMITTEE OF THE UNITED STATES STEEL CORPORATION, HELD DURING THE "INSPECTION TRIP" FROM DECEMBER 10TH TO 17TH, 1902, INCLUSIVE.

DECEMBER 10TH, 1902.

A meeting of the Finance Committee was held at 12 o'clock.

Present: Messrs. Perkins (in the Chair), Rogers, Ream and Gary.

The Chairman reported that he had been in negotiation with the Union Sharon Steel Companies with a view to their purchase and had secured an option, good for ten days, which option was submitted and discussed at length. The matter of further negotiations was referred to the Chairman.

On motion, adjourned.

DECEMBER 10TH, 1902.
(2.30 P. M.)

A meeting of the Finance Committee was held at 2.30 P. M.

Present: Messrs. Perkins (in the Chair), Rogers, Ream and Gary, together with the Presidents of the several subsidiary companies of the United States Steel Corporation.

The question of the acquisition of the Union Sharon plants was discussed pro and con and at length with all the gentlemen present, and a vote was finally taken as to the desirability from all points of view of acquiring the property if it could be done on terms satisfactory to the Finance Com-

mittee. The vote was unanimous in favor of acquiring the properties.

DECEMBER 11TH, 1902.
(10 A. M.)

A meeting of the Finance Committee was held at 10 A. M.

Present: Messrs. Perkins (in the Chair), Rogers, Ream and Gary.

The Chairman reported conferences with Union Sharon people in regard to their properties and the option on the same.

After considerable discussion, it was the sense of the meeting that the properties should be obtained at a lower figure than recited in the option, and that some arrangement ought to be made, if they were obtained, by which the United States Steel Corporation would have very broad latitude in completing improvements under way.

It was also the unanimous opinion of the meeting that some financial plan for further improvements and extensions to these plants ought to be worked out in connection with their purchase and the question of further negotiation was referred to the Chairman.

DECEMBER 11TH, 1902.
(1 P. M.)

A meeting of the Finance Committee was held at 1 P. M.

Present: Messrs. Perkins (in the Chair), Rogers, Ream and Gary.

The Chairman reported that the Union Sharon people had finally consented to a reduction of $1,500,000 from the price mentioned in their option, and that they would undertake to furnish a certain amount of new money in exchange for bonds on the properties, said new money to be expended on the properties under the direction of the United States Steel Corporation. They would agree to furnish say about $6,000,000 in this way. It was the opinion of the Finance Committee that this sum was not sufficient and the Chairman was asked to take up negotiations to increase this amount if possible.

DECEMBER 13TH, 1902.
(12 M.)

A meeting of the Finance Committee was held at 12 M.

Present: Messrs. Perkins (in the Chair), Rogers, Ream and Gary.

The Chairman reported that he had talked over the telephone with the Union Sharon people, who said that they were not willing to waive the question of tax on bonds in Pennsylvania.

The question of further negotiations with the Union Sharon people was referred to Messrs. Gary, Perkins and Ream, with power.

The question of whether or not the United States Steel Corporation should make a contract with the International Harvester Company to purchase its ore and steel properties was referred to Messrs. Gary, Perkins and Ream, with power.

NEW YORK, WEDNESDAY, JANUARY 7TH, 1903.

A meeting of the Finance Committee of the United States Steel Corporation was held at the office of Messrs. J. P. Morgan & Co., in the City of New York, on Wednesday, January 7th, 1903, at 11:30 o'clock P. M.

Present: Messrs. Perkins (in the Chair), Frick, Ream, Bacon, Gary and Widener.

The minutes of the meeting of January 6th were read, and on motion, and by the affirmative vote of all present, were approved.

Mr. Gary reported that the Executive Committee had considered and recommended the following:

1. NATIONAL TUBE COMPANY.

Appropriation for one vertical blowing engine at the Riverside Furnace at a cost of..... $19,500
(To be charged to improvements).

2. OLIVER IRON MINING COMPANY.

The purchase of the lease of an ore property on the Mesaba Range, known as the Whiteside Forty, for the sum of..... $100,000
and a royalty of 20 cents per gross ton, and with a minimum of 25,000 tons.

On motion, and by the affirmative vote of all present, the recommendation numbered 1 was approved and the Chairman of the Executive Committee was requested to recommend to the proper officers of the company concerned that such expenditure be made.

On motion, and by the affirmative vote of all present, the subject matter of recommendation numbered 2 was referred to the Chairman of the Finance Committee, the Chairman of the Executive Committee and Mr. Frick, with power.

On motion, and by the affirmative vote of all present, the purchase of the Elk Creek and Dock property and the property of the Connellsville Central Railroad Company, now under option to this Corporation under the agreement with Mr. Mellon, was recommended.

On motion, and by the affirmative vote of all present, the proposed cancellation of $150,000 Bonds of the Toledo Bridge Company, owned by the American Bridge Company, in order to formally merge the former company into the latter, was recommended.

On motion, and by the affirmative vote of all present, the question of obtaining better service from the railroads in hauling our coke *and Railroad situation generally in C. District was referred to the Chairman*

(*Italicised words written in with pencil*)

of the Finance Committee, the Chairman of the Executive and Mr. Frick.

On motion, and on the affirmative vote of all present, the question Purchase of the Oliver Ore Properties was referred to Messrs. Frick, Ream and Bacon to investigate and report to this Committee.

There being no further business before the Committee, it adjourned to meet on Tuesday, January 13th, 1903, at two o'clock P. M. at the office of the Corporation.

Richard Trimble,
Secretary.

NEW YORK, TUESDAY, JANUARY 27TH, 1903.

A meeting of the Finance Committee of the United States Steel Corporation was held at the office of the Corporation, in the City of New York, on Tuesday, January 27th, 1903, at two o'clock P. M.

Present: Messrs. Perkins (in the Chair), Gary, Frick, Rogers, Ream and Widener.

* * *

Upon motion, and by the affirmative vote of all present, the following action was taken on the sundry questions submitted to the meeting:

OLIVER ORE PROPERTIES:

Mr. Frick made a report of the progress of the negotiations for the purchase of the Oliver Ore Properties and was requested to proceed with the negotiations.

SALARIES OF OFFICERS OF THE UNITED STATES STEEL CORPORATION AND SUBSIDIARY COMPANIES; ALSO BONUS TO OFFICERS OF UNITED STATES STEEL CORPORATION.

Judge Gary, for the Special Committee, reported that three of the Presidents of subsidiary companies, viz., Messrs. Graham, McMurtry and Schiller, had voluntarily agreed to a reduction in their salaries to the basis of $25,000 each.

PURCHASE OF ORE PROPERTIES OWNED OR CONTROLLED BY JAMES J. HILL.

A Special Committee, composed of Messrs. Gary, Perkins and Frick, was appointed to negotiate with Mr. Hill.

* * *

NEW YORK, TUESDAY, MARCH 3RD, 1903.

A meeting of the Finance Committee of the United States Steel Corporation was held at the office of the Corporation, in the City of New York, on Tuesday, March 3rd, 1903, at 2.30 o'clock P. M.

Present: Messrs. Perkins (in the Chair), Gary, Rogers, Frick, Ream and Widener.

* * *

On motion and by the affirmative vote of all present, the subscription by the United States Steel Corporation of the sum of $6,000 to the

AMERICAN IRON AND STEEL ASSOCIATION

(JAMES M. SWANK, MANAGER) was approved.

* * *

NEW YORK, TUESDAY, MARCH 10TH, 1903.

A meeting of the Finance Committee of the United States Steel Corporation was held at the office of the Corporation, in the City of New York, on Tuesday, March 10th, 1903, at two o'clock P. M.

Present: Messrs. Perkins (in the Chair), Gary, Rogers, Frick and Widener.

The minutes of the meetings of March 3rd were read, and on motion, and by the affirmative vote of all present, were approved.

In connection with the purchase of

ORE PROPERTIES OF MR. HILL

the subject-matter of guaranteeing a minimum tonnage of ore to be hauled by Mr. Hill's railroads was referred to Mr. Frick with power.

* * *

NEW YORK, TUESDAY, MAY 12TH, 1903.

A meeting of the Finance Committee of the United States Steel Corporation was held at the office of the Corporation in the City of New York, on Tuesday, May 12th, 1903, at two o'clock P. M.

Present: Messrs. Perkins (in the Chair), Gary, Frick, Schwab, Ream and Widener.

The minutes of the meetings of May 5th were read, and on motion, and by the affirmative vote of all present, were approved.

Judge Gary reported that the Executive Committee had considered and made the following recommendations:

* * *

5. MONROE ORE PROPERTY.

Purchase of fee of Monroe Ore Property on basis of 30 cents per ton royalty.

* * *

NEW YORK, TUESDAY, DECEMBER 22ND, 1903.

A meeting of the Finance Committee of the United States Steel Corporation was held at the office of the Corporation, in the City of New York, on Tuesday, December 22nd, 1903, at two o'clock P. M.

Present: Messrs. Perkins (in the Chair), Frick, Bacon, Rogers and Corey.

* * *

The President stated that Mr. H. Coulby, of Pickands, Mather & Co., had accepted the Presidency of the Pittsburgh Steamship Company.

* * *

NEW YORK, TUESDAY, OCTOBER 4TH, 1904.

A meeting of the Finance Committee of the United States Steel Corporation was held at the office of the Corporation, in the City of New York, on Tuesday, October 4th, 1904, at two o'clock P. M.

Present: Messrs. Perkins (in the Chair), Bacon, Gary, Ream, Widener, Frick and Corey.

* * *

A letter was read from JAMES M. SWANK, GENERAL MANAGER OF

THE AMERICAN IRON AND STEEL ASSOCIATION,

to the Chairman of the Board, asking for a subscription. On motion, and by the affirmative vote of all present, it was

RESOLVED, that this Corporation subscribe $6,000 to the work of the Association, and that the Treasurer be directed to make the payment forthwith.

* * *

NEW YORK, TUESDAY, JANUARY 17TH, 1905.

A meeting of the Finance Committee of the United States Steel Corporation was held at the office of the Corporation, in the City of New York, on Tuesday, January 17th, 1905, at two o'clock P. M.

Present: Messrs. Perkins (in the Chair), Gary, Widener, Bacon, Frick, Corey, Phipps and Rogers.

* * *

The Special Committee on

LEASE OF CANISTEO ORE PROPERTIES,

reported that it had been decided to acquire from the Canisteo Ore Company their interests in ore on the Mesabi Range, stated in correspondence heretofore submitted on a basis of $500,000 bonus to be paid in instalments of 37½ cents per ton royalty, with an increasing minimum, which will amount to 1,500,000 tons per year; and that the documents relating to the same were being prepared by the counsel for the respective parties.

* * *

A Meeting of the Finance Committee of the United States Steel Corporation was held at the office of the Corporation, in the City of New York, on Tuesday, July 11th, 1905, at two o'clock P. M.

Present: Messrs. Perkins (in the Chair), Gary, Bacon, Ream, Rogers and Widener.

* * *

The Chairman of the Board reported that the question of

INCREASING THE PRICES OF STRUCTURAL STEEL

had been under consideration by the different manufacturers, and that he had recommended that action be postponed.

On motion, the recommendation was approved.

On motion, duly seconded, the meeting adjourned.

THOMAS MURRAY,
Acting Secretary.

(U. S. S. C. minutes, page 499—Finance Committee.)

NEW YORK, FRIDAY, DECEMBER 29TH, 1905.

A Special Meeting of the Finance Committee of the United States Steel Corporation was held at the office of the Corporation, in the City of New York, on Friday, December 29th, 1905, at two o'clock P. M.

Present: Messrs. Perkins (in the Chair), Baker, Corey, Frick, Gary, Phipps, Ream, Widener, and J. P. Morgan, by request.

The minutes of the meeting held on December 28th were read, and, on motion, duly seconded, were approved.

On motion, duly seconded, the following resolutions were unanimously adopted:

RESOLVED, that the general plan presented for improvements on the land recently purchased, or adjacent thereto, in Lake County, Indiana, including Blast Furnaces, Open Hearth Furnaces, Rail, Slabbing, Plate, Bar, Structural and Blooming Mills, Axle Plant, Machine Shops, Foundry, Offices, Docks, Tracks, Coke Ovens, and necessary appurtenances, be approved and adopted, provided the co-operation of the public officials in Indiana, and representatives in Congress, be secured as promised.

RESOLVED, further, that such improvements and the expenditures for the same be placed in the immediate charge of a Special Committee consisting of the ex-officio members and Messrs. Frick and Ream.

On motion, duly seconded, the meeting adjourned.

RICHARD TRIMBLE,
Secretary.

(Finance Committee Minutes, U. S. S. C., page 528.)

NEW YORK, TUESDAY, MARCH 20TH, 1906.

A meeting of the Finance Committee of the United States Steel Corporation was held at the office of the Corporation, in the City of New York, on Tuesday, March 20th, 1906, at two o'clock P. M.

Present: Messrs. Gary (in the Chair), Corey and Rogers.

* * *

On motion, duly seconded, the question of the

PURCHASE BY THE AMERICAN STEEL AND WIRE COMPANY FOR $50,000 OF THE CAPITAL STOCK OF THE NEW PROCESS BALE TIE COMPANY

in accordance with the recommendation contained in letter from First Vice President Keefe to President Corey, under date of March 19th, was referred to the Chairman of the Board and the President to consider and report.

On motion, the meeting adjourned.

RICHARD TRIMBLE,
Secretary.

(Minutes of Finance Committee, U. S. S. C., p. 529.)

NEW YORK, TUESDAY, MARCH 27TH, 1906.

A meeting of the Finance Committee of the United States Steel Corporation was held at the office of the Corporation, in the City of New York, on Tuesday, March 27th, 1906, at two o'clock P. M.

Present: Messrs. Gary (in the Chair), Corey, Frick, Ream, Rogers and Widener.

* * *

Judge Gary, for the Special Committee on

PURCHASE BY THE AMERICAN STEEL & WIRE COMPANY FOR $50,000 OF THE CAPITAL STOCK OF THE NEW PROCESS BALE TIE COMPANY,

reported that he and President Corey had carefully considered the question and that they recommend the purchase.

On motion, the report of the Special Committee was approved and adopted.

* * *

NEW YORK, TUESDAY, OCTOBER 22ND, 1907.

A meeting of the Finance Committee of the United States Steel Corporation was held at the office of the Corporation, in the City of New York, on Tuesday, October 22nd, 1907, at two o'clock P. M.

Present: Messrs. Gary (in the Chair), Baker, Corey, Frick, Perkins and Ream.

* * *

On motion, duly seconded, the payment of $7,000. for the annual subscription for membership of the Corporation and subsidiary companies in the

AMERICAN IRON AND STEEL ASSOCIATION

was recommended.

* * *

(Minutes of Finance Committee, U. S. S. C., p. 752.)

NEW YORK, TUESDAY, DECEMBER 24TH, 1907.

A meeting of the Finance Committee of the United States Steel Corporation was held at the office of the Corporation, in the City of New York, on Tuesday, December 24th, 1907, at two o'clock P. M.

Present: Messrs. Gary (in the Chair), Baker, Corey, Perkins, Phipps and Rogers.

* * *

On motion, duly seconded, the question of recommending to the

TENNESSEE COAL, IRON AND RAILROAD COMPANY,

the establishment of a fund of Ten Thousand Dollars to

ACQUIRE OPTIONS ON LANDS CONTAINING BROWN ORE;

and also a fund of Twenty Five Thousand Dollars to cover COST OF EXPLORING FOR BROWN ORE ON PROPERTIES UNDER OPTION, was referred to the Chairman and President, with power.

On motion, duly seconded, the subject-matter of recommending the

PURCHASE BY THE TENNESSEE COAL, IRON AND RAILROAD COMPANY

of the minority stock of the Ensley Land Company was referred to the Chairman and President with power.

(Finance Committee U. S. S. C. minutes, p. 802.)

NEW YORK, TUESDAY, MAY 21ST, 1908.

(SPECIAL MEETING.)

A Special Meeting of the Finance Committee of the United States Steel Corporation was held at the office of the Corporation, in the City of New York, on Thursday, May 21st, 1908, at eleven o'clock A. M.

Present: Messrs. Gary (in the Chair), Baker, Frick, Perkins and Ream.

After full discussion, it was voted to be the sense of the Committee that we should recommend to subsidiary companies:

NO REDUCTIONS IN THE PRICES OF STEEL TO BE MADE AT THE PRESENT TIME.

(Mr. Rogers concurred in this by telephone.)

On motion, the meeting adjourned.

THOMAS MURRAY,
Acting Secretary.

(Finance Committee U. S. S. C. minutes, p. 808.)

NEW YORK, WEDNESDAY, JUNE 3rd, 1908.
(SPECIAL MEETING.)

A Special Meeting of the Finance Committee of the United States Steel Corporation was duly held at the office of the Corporation, in the City of New York, on Wednesday, June 3rd, 1908, at twelve o'clock noon.

Present: Messrs. Gary (in the Chair), Baker, Frick, Perkins and Ream.

After considering various

MATTERS RELATING TO PRICES,

the meeting adjourned.

THOMAS MURRAY,
Acting Secretary.

(Finance Com. U. S. S. C. minutes, p. 809.)

NEW YORK, TUESDAY, JUNE 9th, 1908.

A meeting of the Finance Committee of the United States Steel Corporation was held at the office of the Corporation, in the City of New York, on Tuesday, June 9th, 1908, at twelve o'clock noon.

Present: Messrs. Gary (in the Chair), Baker, Frick, Perkins, Phipps and Ream.

The minutes of the meetings held on June 2nd and 3rd were read, and, on motion, duly seconded, and by the affirmative vote of all present, were approved.

The Secretary presented the

MONTHLY REPORT OF THE TREASURER SHOWING SINKING AND DEPRECIATION FUNDS AND INVESTMENTS AND CASH HELD THEREFOR.

The Chairman submitted reports of OPERATION OF PLANTS AND OF FOREIGN SALES.

On motion, duly seconded, the

SUBJECT-MATTER OF PRICES

was referred to the Chairman with power.

NEW YORK, TUESDAY, SEPTEMBER 29, 1908.

A meeting of the Finance Committee of the United States Steel Corporation was held at the office of the Corporation, in the City of New York, on Tuesday, September 29th, at two o'clock P. M.

Present: Messrs. Gary (in the Chair), Corey, Perkins, Ream, Rogers and Widener.

* * *

The Chairman read a letter from

JAMES M. SWANK, of the AMERICAN IRON AND STEEL ASSOCIATION, acknowledging receipt of the Corporation's contribution of $7,000, and requesting an additional subscription of $2,000., and on motion, the additional subscription was recommended.

* * *

NEW YORK, WEDNESDAY, FEBRUARY 17th, 1909.

A Special Meeting of the Finance Committee of the United States Steel Corporation was duly held at the office of the Corporation, in the City of New York, on Wednesday, February 17th, 1909, at 2.30 o'clock P. M.

Present: Messrs. Gary (in the Chair), Baker, Corey, Perkins, Ream and Widener.

The President gave information to the Committee concerning

TRADE CONDITIONS,

and asked for instructions. Whereupon, on motion, the subject-matter was referred with power to a Special Committee consisting of the Chairman, the President and Mr. Perkins.

On motion, the meeting adjourned.

RICHARD TRIMBLE, Secretary.

NEW YORK, FRIDAY, FEBRUARY 19TH, 1909.

A Special Meeting of the Finance Committee of the United States Steel Corporation was duly held at the office of the Corporation, in the City of New York, on Friday, February 19th, 1909, at 11 o'clock A. M.

Present: Messrs. Gary (in the Chair), Baker, Corey, Perkins, Ream and Widener.

The Chairman of the Special Committee on

reported that they had made investigation, and after full consideration had made certain recommendations, which were given to the Committee in detail. On motion, the report of the Special Committee was adopted.

RICHARD TRIMBLE,
Secretary.

NEW YORK, TUESDAY, SEPTEMBER 28TH, 1909.

A meeting of the Finance Committee of the United States Steel Corporation was duly held at the office of the Corporation, in the City of New York, on Tuesday, September 28th, 1909, at two o'clock P. M.

Present: Messrs. Gary (in the Chair), Corey, Frick, Perkins, Ream and Widener.

* * *

The Chairman presented a letter from MR. JAMES M. SWANK, GENERAL MANAGER OF THE AMERICAN IRON AND STEEL ASSOCIATION, in regard to our annual subscription to the Association, and, on motion, and by the affirmative vote of all present, the subscription of $9,000, being the same amount as last year, was recommended.

* * *

The President read a letter from Mr. Dickson, under date of September 22nd, calling attention to

PIG IRON CAPACITY OF THE CORPORATION,

as compared with all other American companies at the end of the years 1901 and 1908, and to the fact that for the first time in the history of the Corporation no new furnaces will be under construction January 1st, 1910, under existing recommendations, excepting the proposed furnaces at Duluth. On motion, the letter was ordered on file.

* * *

(Finance Com. U. S. S. C. minutes, p. 1004.)

NEW YORK, TUESDAY, FEBRUARY 8TH, 1910.

A meeting of the Finance Committee of the United States Steel Corporation was duly held at the office of the Corporation, in the City of New York, on Tuesday, February 8th, 1910, at two o'clock P. M.

Present: Messrs. Gary (in the Chair), Baker, Corey, Perkins, Morgan and Ream.

* * *

The President presented a letter from President Crawford, of the Tennessee Coal, Iron & Railroad Company, under date of February 2nd, 1910, stating that as a result of diamond drill work, it was probable a

LARGE TONNAGE OF ORE EXISTS UNDER SHADES MOUNTAIN,

and suggesting that a 90 day option on about 8,000 acres at about $25 an acre be obtained in order that further exploration might be made.

On motion, the question was referred to the Chairman and President with power to obtain the option.

The following Minutes of the Board of Directors of the Oliver Mining Company (Record, page 1979 to page 1994), are offered in evidence by the Petitioner under the foregoing stipulation, dated June 26, 1912 (Volume II, Government Exhibits, page 359), for all purposes for which said Minutes are competent and relevant:

Each and all of said Minutes are objected to by Counsel for said Defendants on the ground of incompetency, irrelevancy and immateriality.

MINUTES OF OLIVER MINING COMPANY.

APRIL 9TH, 1895.

A meeting of the directors was held.

Present: Mr. H. W. Oliver, in the chair.
" Curry;
" Leishman,
" Frick, (by invitation).

On motion, it was:

RESOLVED: That the sales-agents of the Company, Messrs. M. A. Hanna & Co., be authorized to make contracts as follow:

With the Hainsworth Steel Co., and Rosena Furnace Co. for:

50,000 tons of Oliver ore.
100,000 " " South Side ore.

With the Carnegie Steel Co., Ltd., for:

100,000 tons of Oliver ore,
150,000 " " South Side ore,

to be shipped during the season of 1895, from the Missabe Mountain and Lone Jack mines, it being understood that this division affects only the current year and is not to be considered a precedent in the division between the Oliver interest and the Carnegie interest of future product of the mine.

Contracts to be made on the following basis:
Analyses of dry samples, Price at Lake Erie ports:

	Iron.	Phos.	Price
Oliver ore.....	64.00	.055	$2.50
South Side ore..	63.00	.075	2.35

Prices to be adjusted on the basis named, when the average analyses of seasons shipments is determined.

That the 100,000 tons Mountain Iron ore, which this Company has agreed to purchase at $2.35, delivered at Lake Erie ports, be sold at the same price:

25,000 tons to the Rosena Furnace Co.
25,000 " " " Hainsworth Steel Co.
50,000 " " " Carnegie Steel Co., Ltd.

Contracts to be made direct with these Companies by the Mountain Iron Co.

C. D. FRASER,
Secretary.

PITTSBURGH, OCTOBER 11TH, 1895.

The annual meeting of the stockholders of the Company was held this day. The entire capital stock of the Company was represented. The following officers and directors were unanimously elected, to serve until the next annual meeting, or until the election of successors:

DIRECTORS:

H. W. Oliver, (President),
H. M. Curry, (Treasurer),
C. D. Fraser, (Secretary),
J. G. A. Leishman,
James Gayley.

C. D. FRASER, Sec.

PITTSBURGH, JANUARY 19TH 1897.

A meeting of the directors was held. Present:

Mr. H. W. Oliver (in the chair),
" Curry,
" Leishman,
" Fraser,
" Gayley.

The President presented to the Board, for approval, the certain Indenture of Mining Lease bearing date the 1st day of December, 1896, between the Missabe Mountain Iron Co. as party of the first part, and this Company, as party of the second part, and, upon due consideration thereof, Director Leishman offered and Director Gayley seconded the following resolutions:

RESOLVED: That the acts of the President and Secretary of this Company, in executing, in duplicate, in the name and on behalf of this Company, and under its corporate seal, that certain Indenture of Mining Lease, dated the first day of December, 1896, by and between the Missabe Mountain Iron Co., a corporation existing under the laws of Minnesota, as party of the first part, and the Oliver Mining Company, as party of the second part, and which is in the words and figures following, to wit:

THIS INDENTURE, Made this First day of December, A. D., 1896, between MISSABE MOUNTAIN IRON COMPANY, a corporation duly organized under the laws of the State of Minnesota (hereinafter called the "Missabe Company," or "the lessor"), party of the first part, and OLIVER MINING COMPANY, a corporation duly organized under the laws of the State of Minnesota (hereinafter called the "Oliver Company", or "the lessee"), party of the second part, WITNESSETH AS FOLLOWS:

By instrument dated March 2, 1892, and recorded in the office of the Register of St. Louis County, Minnesota, on the ninth day of August, 1892, in Book S. of Agreements, Page 1, the State of Minnesota demised to the Missabe Company, the Lessor herein, the premises hereinafter mentioned, for the term of Fifty years beginning March 2, 1892, for the purpose

of mining and removing iron ore and with the right to the Lessee therein to contract with others to work the mines thereon and for the use of said land or any part thereof for the purposes of mining for iron ore with the same rights and privileges as were thereby granted to the Lessee therein.

By instrument dated August 1, 1892, the Missabe Company demised the said premises to Henry W. Oliver for the purpose of mining iron ore therefrom for a term expiring January 1, 1903. Thereafter, Henry W. Oliver assigned the Lease last named to the Oliver Company, the Lessee herein.

Agreements relating to the last mentioned Lease have been made between the Missabe Company, Lessor herein, and Henry W. Oliver or the Oliver Company, Lessee herein, dated March 14, 1894, July 10, 1894, April 1895 and December 9, 1895.

By assignment from Lake Superior Consolidated Iron Mines, dated July 19, 1894, the Oliver Company became and still is the owner of a mining lease of the Lone Jack property immediately adjoining the Missabe Mountain property described in the Leases above mentioned, which Lease was dated August 1, 1892, and made by Alfred Merritt and others to Nathaniel D. Moore and James F. Foley, and recorded in the office of the Register of Deeds of St. Louis County, Minnesota, the 9th day of September, 1892, in Book O. of Agreements, Page 7.

The Lone Jack Lease, as thus assigned to the Oliver Company had been modified by agreement, dated June 19, 1894, between David T. Adams and others, owners of the fee of the said Lone Jack property, and Lake Superior Consolidated Iron Mines.

Simultaneously with the execution of this Lease the Oliver Company, by Lease dated December 1, 1896, becomes Lessee under a Lease from Mountain Iron Company to the Oliver Company demising premises in St. Louis County, Minnesota, described as the West half of the Northwest quarter (W. ½ of N. W. ¼) and the Northwest quarter of the Southwest quarter (N. W. ¼ of S. W. ¼) of Section Three (3) in Township Fifty-eight (58) North of Range Eighteen (18) West of the fourth principal meridian, for the term of Fifty years from December 1, 1896.

The Oliver Company desires to surrender the existing Lease of the Missabe Mountain property, above recited, to obtain a new Lease of the same property for a time substantially coterminous with the Lease of the same premises from the State of Minnesota, above recited, and embracing as nearly as may be the provisions of the said Lease from the Mountain Iron Company to the Oliver Company. In the interest of both parties hereto it is intended that this Lease and the said Lease of December 1, 1896, from the Mountain Iron Company to the Oliver Company shall be interdependent, so that it shall not be possible for the Oliver Company to surrender either of the said Leases without doubling the minimum output of ore required by the Lease remaining unsurrendered, and the Lessor refuses to grant this Lease without such a provision. It is further intended to leave the Lease of the Lone Jack property above recited existing and unaffected save as it was modified by and pursuant to the said Agreement of June 19, 1894, between David T. Adams and others and Lake Superior Consolidated Iron Mines.

Now, Therefore, In consideration of the matters above recited and of the sum of one dollar by the Lessee to the Lessor paid, the receipt whereof is hereby acknowledged, and in further consideration of the covenants, conditions and provisions of this Instrument to be kept and performed by the Lessee named herein, it is agreed as follows, to wit:—

First: That the said Lessee, the Oliver Mining Company, doth hereby surrender and give up to the Lessor, the Missabe Mountain Iron Company, the said Indenture of Lease from the Lessor to Henry W. Oliver, dated August 1, 1892, and all right, title and interest of the Lessee in the premises thereby demised as of the moment before the making and delivery of this Lease of the same premises. This surrender of lease shall not operate to annul any obligation incurred by either party, the performance of which was due on or before the date of this surrender, but the party so liable shall nevertheless be bound to fulfill the terms of such obligation.

Second: That the Lessor doth hereby let, demise and lease unto the Lessee, for the term beginning December 1, A. D. 1896, and ending one day before the termination of the

said Lease, dated March 2, 1892, from the State of Minnesota to the Missabe Mountain Iron Company, the following described lands and premises in the County of St. Louis and the State of Minnesota, to wit:—

The Northeast quarter (N. E. ¼) of section number Eight (8) in Township number Fifty-eight (58) North of Range number Seventeen (17) West of the fourth principal meridian;

SUBJECT, NEVERTHELESS, to the right of way of the Duluth, Missabe & Northern Railway Company upon and over said premises and to the Instruments hereinafter specifically mentioned as affecting said premises.

The said lands and premises are demised to the Lessee for the sole purpose of exploring for, mining, taking out and removing therefrom, the iron ore which is or hereafter may be found on, in or under the said lands, with the right to the Lessee to construct all buildings, make all excavations, openings, ditches, drains, railroads, wagon-roads, and other improvements upon the said lands which are or may become necessary or suitable for the mining or removing of the iron ore therefrom.

THIRD: The Lessee hereby covenants and agrees to operate all the mines which are now known, or may hereafter be discovered, on the said lands in a good, workmanlike manner and in accordance with the requirements of good engineering, during the existence of this Lease, and to pay to the Lessor a royalty on all iron ore mined and removed from the said lands while this lease is in force, at the rate of Twenty-five cents for each gross ton, and further and in addition thereto the amount due and payable to the State of Minnesota for such ore under the said Lease of March 2, 1892, from the State of Minnesota to the Missabe Mountain Iron Company. The amount of the said State royalty shall be added to and form part of the royalty due hereunder and shall be paid by the Lessee to the Lessor and by the latter paid to the State, and the Lessor covenants that it will pay the same to the State accordingly. All royalties reserved hereby shall be due and payable on the 15th days of April, July, October and January in each year during the demised term (hereinafter called "quarter days"). The payment on each quarter day shall be for the full amount of ore mined and removed from the said

lands during the Three months immediately preceding the First day of the month in which the payment shall be due.

The Lessee further covenants and agrees that in each year during the existence of this Lease, it will mine and remove from the lands demised hereby at least One hundred thousand gross tons; that so long as the Lessee herein (or its assign) is the holder of this Lease and of the said Lease of the said Lone Jack property adjacent to the premises hereby demised, the Lessee (or its assign), in each year, will mine and remove from the lands demised by this Lease and the said Lone Jack lands at least Six hundred thousand gross tons of iron ore, (including the 100,000 gross tons to be mined and removed in any event from the premises hereby demised); that if the Lessee (or its assign) shall cease to be the owner of both the said Lone Jack Lease and this Lease, or if the said Lone Jack Lease shall expire, the Lessee or the holder for the time being of this Lease, in each year during the remainder of the existence of this lease, will mine and remove from the lands and premises demised hereby at least Six hundred thousand gross tons of iron ore; that the several quantities in this article specified are agreed upon as a minimum output. And in case in any one or more years during the existence of this Lease, the Lessee shall not actually remove the full minimum output, as above mentioned, the Lessee shall nevertheless pay to the Lessor a ground rent for the lands demised hereby during the said year a sum computed as follows: If the minimum output from the premises hereby demised for the year in question shall be 100,000 gross tons, then the ground rent for that year shall be $25,000 plus the amount due to the State of Minnesota under said State Lease for royalty or ground rent for the same year, and if the minimum output from the said premises for the year in question shall be 600,000 gross tons, then the ground rent for that year shall be $150,000 plus the amount of the said State royalty or ground rent due for that year. Such ground rent shall be payable on the 15th day of January in each year for the year immediately preceding; provided, however, that if for any year the royalty paid by the Lessee to the Lessor shall be equal to or exceed the sum reserved as ground rent for that year, then the royalty so paid shall be in lieu of the said ground rent; and should the royalty paid for any year (ex-

clusive of the State royalty) be less than the sum reserved as ground rent for that year (exclusive of the ground rent or royalty reserved to the State), the Lessee agrees to pay to the Lessor on said 15th day of January, as ground rent, such a sum as will, together with the royalty paid for such year amount to the sum reserved as ground rent for that year (in addition to the State royalty or rent). If in any year the Lessee shall mine and remove less than the agreed minimum output for that year, and in a subsequent year shall pay royalty for the agreed minimum output for such subsequent year, it shall be entitled to credit in the payment of royalty on ore mined and removed in that year in excess of such minimum to an amount equal, at its face, to the ground rent in excess of royalty paid for such preceding year as aforesaid, and this provision shall apply from year to year until the amount equal to such ground rent shall be exhausted.

FOURTH: The Lessor has heretofore, by Instrument dated July 1, 1892, entered into a traffic contract with the Duluth, Missabe & Northern Railway Company and given to the said Railway Company its bond dated August 6, 1892, in the penal sum of Three hundred thousand dollars, and its mortgage of the same date collateral to the said Bond, both to secure the said traffic contract; the several instruments hereinabove recited affect the premises hereby demised and require the Lessor to be interested in the earnings of said Railway Company; and this Lease is made and accepted subject to the provisions of the said Instruments.

AND THE LESSEE FURTHER COVENANTS that during the term of this lease all iron ore at any time removed from the said premises, by whomsoever removed, shall be removed over the lines of the said Duluth, Missabe & Northern Railway Company to the waters of Lake Superior, in as nearly equal monthly quantities as possible during the shipping season, at the then current, open, public rates established by railway companies for the carrying of iron ore from the Missabe Range to Lake Superior ports, and not greater than the rate of Eighty cents per gross ton, payable in United States gold coin, and that, in view of the fact that if this Lease were not made a reduction below Eighty cents gold per ton in the said current open, public rates for carrying ore would inure to

the benefit of the Lessor, the royalty payable hereunder by the Lessee to the Lessor for each gross ton actually carried by said Railway Company at such lesser rate shall be increased by the amount of such reduction on such gross ton. By open, public rates are meant the rates at which the ores of a consumer or consumers, who do not themselves substantially control a railway from the Missabe Range to Lake Superior ports, are actually carried.

FIFTH: In consideration of the foregoing Agreements, and in order to secure the advantage of increased royalty in case of a decreased rail rate, the Lessor covenants that if, during the term of this Lease, while such lower rail rate shall be current as above stated, any actual competitive consumer of iron ores mined upon the Missabe Range shall in fact acquire such ores at Lake Superior ports cheaper than the cost to the Lessee at such ports of the ores mined by the Lessee upon the demised premises, the Lessor will pay, ton for ton, to the Lessee a sum equal to the gain per ton accruing to such consumer as against the Lessee by virtue of such cheaper rail rate on every ton of iron ore mined upon the Missabe Range consumed by such competitor, up to the total amount of the Lessee's production from the demised premises during the currency of such lower rail rate.

In ascertaining the amounts to be paid under the above guaranty the Lessee must satisfactorily show that any alleged advantage of a competitive consumer does not arise from cheaper royalty or cheaper cost of mining or operating, and only so much advantage in cost at Lake Superior ports as arises exclusively from cheaper rail rates shall be claimed or allowed hereunder. In making computations hereunder, iron ore of a competitive consumer taken from lands owned in fee shall be deemed to cost as much for royalty as the total royalty payable hereunder on ore taken from the premises demised hereby.

SIXTH: The ground rent and royalty payable hereunder shall be paid in United States gold coin, or its equivalent, of the present standard of weight and fineness; shall be paid at such place as the Lessor shall designate in writing from time to time, and, until further notice, the same shall be paid

at the office of the Treasurer of the Lessor in the City of New York.

* * *

FIFTEENTH: The Lessee and The Carnegie Steel Company Limited, and Henry W. Oliver represent to the Lessor that the said Steel Company is the owner of Five-sixths of the capital stock of the Lessee, and that Henry W. Oliver is the owner of One-sixth of the capital stock of the Lessee; they agree, the Steel Company for itself and Mr. Oliver for himself, that, during the term of this Lease, neither will sell or assign such stock or interest, without the previous written consent of the Lessor, except that Mr. Oliver may assign his said stock to the Oliver Iron & Steel Company, or to the Oliver Wire Company, or to the Hainsworth Steel Company, provided such assignee gives to the Lessor herein an agreement to hold the said stock on the same terms.

IT IS UNDERSTOOD that this Lease is granted upon the faith of the foregoing representation and agreement. And it is agreed that if any substantial change is made in said ownership, except as aforesaid, the Lessor may, at its option, terminate this Lease upon Thirty days' notice to the Lessee, served or mailed as hereinbefore provided.

* * *

IN WITNESS WHEREOF, The Lessor, the MISSABE MOUNTAIN IRON COMPANY, and the Lessee, the OLIVER MINING COMPANY, have respectively caused their corporate seals to be hereunto affixed and these presents to be signed in duplicate by their respective Presidents and Secretaries; and the said CARNEGIE STEEL COMPANY, LIMITED, and the said HENRY W. OLIVER, solely in token of the representations and agreements herein contained with respect to their ownership of stock in the Oliver Mining Company, have hereunto signed their names and affixed their seals; all the day and year first above written.

(Signed) MISSABE MOUNTAIN IRON COMPANY,
By WILLIAM J. OLCOTT,
President.

ATTEST:
E. V. CARY,
Assistant Secretary.

OLIVER MINING COMPANY,
By HENRY W. OLIVER,
President.
C. D. FRASER,
Secretary.

In the presence of
GEO. WELWOOD MURRAY.
THOS. W. SMITH.

THE CARNEGIE STEEL COMPANY, LIMITED,
By JOHN G. A. LEISHMAN,
President.

ATTEST:
F. T. F. LOVEJOY,
Secretary.

In the presence of
A. M. MORELAND.
J. J. CAMPBELL.

HENRY W. OLIVER.

In the presence of
A. M. MORELAND.
JAS. J. CAMPBELL.

* * *

And the said Indenture of Mining Lease, dated December 1st, 1896, be and the same hereby are, and each of them hereby is, in all respects approved, adopted, ratified and confirmed.

RESOLVED: That the executive officers of this Company be, and they hereby are, authorized, empowered and directed forthwith to deliver to said Missabe Mountain Iron Co. the said Indenture of Mining Lease, and to execute and deliver such other and further instruments, if any, and to do such acts as may be required, or deemed necessary to carry out the purposes of said Mining Lease and of these resolutions.

These resolutions were unanimously carried.

The President of the Company presented to this Board for approval, the certain traffic contract, bearing date the 1st day of January, 1897, between this Company as party of the first part, and the Duluth, Missabe & Northern Railway Co.

as party of the second part, and, upon due consideration thereof Director Leishman offered and Director Gayley seconded the following resolutions:

RESOLVED: That the acts of the President and the Secretary of this Company, in executing, in duplicate, in the name and on behalf of this Company, and under its corporate seal, that said certain Traffic Contract, dated the 1st day of January, 1897, by and between the Oliver Mining Co. as party of the first part, and the Duluth, Missabe and Northern Railway Company, a corporation existing under the laws of Minnesota, as party of the second part, and which is in the words and figures following, to wit:

THIS AGREEMENT, Made this first day of January, A. D., 1897, between the OLIVER MINING COMPANY, a corporation duly organized under the laws of the State of Minnesota (hereinafter called the "Mining Company"), party of the first part, and the DULUTH, MISSABE & NORTHERN RAILWAY COMPANY, a corporation duly organized under the laws of the State of Minnesota (hereinafter called the "Railway Company"), party of the second part:

WITNESSETH: The Mining Company did in a certain mining lease bearing date December 1st, 1896, lease from the Mountain Iron Company, for a term of fifty years from December 1st, 1896, the premises in said lease described, and did in said lease covenant, among other things, that it would in each year during the existence of such lease mine and remove from said lands at least six hundred thousand (600,000) gross tons of iron ore, as an agreed minimum output; and did in a certain mining lease bearing date December 1st, 1896, lease from the Missabe Mountain Iron Company, for a term ending March 1st, 1942, the premises in said lease described, and did in the said last aforesaid lease covenant, among other things, that in each year during the existence of said lease, it would mine and remove from the land thereby demised at least one hundred thousand (100,000) gross tons, and under certain conditions six hundred thousand (600,000) gross tons;

And the Mining Company did in each of said leases covenant with each of said lessors substantially as follows, to wit:

That during the respective terms of said leases, all iron ore at any time removed from the premises demised by said leases respectively, by whomsoever removed, shall be removed over the line of the Duluth, Missabe & Northern Railway Company to the waters of Lake Superior, in as nearly equal monthly quantities as possible during the shipping season, at the then current, open, public rates established by railway companies, for the carrying of iron ore from the Missabe Range to Lake Superior ports, and not greater than the rate of eighty (80) cents per gross ton, payable in United States gold coin. By open, public rates are meant the rates at which the ores of a consumer or consumers, who do not themselves substantially control a railway from the Missabe Range to Lake Superior ports, are actually carried:

NOW, THEREFORE:

(1) The said Mining Company covenants and agrees with the said Railway Company, that all iron ore removed from either of said demised premises at any time during the existence of the lease under which said ore is removed, by whomsoever removed, shall be removed over the line of the said Railway Company to the waters of Lake Superior, in as nearly equal monthly quantities as possible during the shipping season, and that it will pay for the carriage of said ore the rates hereinafter named.

(2) The said Railway Company covenants and agrees with the said Mining Company that it will at all times furnish sufficient cars for the carriage of, and that it will carry, in as nearly equal monthly quantities as possible during the shipping season, and as furnished by the Mining Company, over its lines to the waters of Lake Superior, all iron ore removed from either of said demised premises at any time during the term of the lease under which said ore is removed, and by whomsoever removed.

That it will at all times carry said ore at the current, open, public rates established for the time being by railway companies for the carrying of iron ore from the Missabe Range to Lake Superior ports, and not greater than the rate of eighty (80) cents per gross ton, payable in United States gold coin, nor greater than the rate then currently paid it by any other shipper.

By open, public rates are meant the rates at which the

ores of a consumer or consumers, who do not themselves substantially control a railway from the Missabe Range to Lake Superior ports, are actually carried.

(3) The covenants, agreements, rights and liabilities of this contract shall be binding on and inure to the benefit of the successors and assigns of the respective parties hereto.

IN WITNESS WHEREOF, The first party, the OLIVER MINING COMPANY, and the second party, the DULUTH, MISSABE & NORTHERN RAILWAY COMPANY, have respectively caused their corporate seals to be hereto affixed and this contract to be signed in duplicate by their respective Presidents and Secretaries on the day and year first above written.

OLIVER MINING COMPANY,
By
HENRY W. OLIVER, President.

(SEAL.)
Attest:
C. D. FRASER,
Secretary.

In the presence of
W. W. SMITH.

DULUTH, MISSABE & NORTHERN RAILWAY COMPANY,
By
F. T. GATES, President.

(SEAL.)
Attest:
E. V. CARY,
Assistant Secretary.

In the presence of
GEO. WELWOOD MURRAY.

STATE OF PENNSYLVANIA, } ss.:
Allegheny County, }

On this 12th day of January, A. D., 1897, before me, a Notary Public within and for the said County of Allegheny,

personally appeared HENRY W. OLIVER, and CHARLES D. FRASER, with whom I am personally acquainted, and they both being by me duly severally sworn, deposed and said that the said Henry W. Oliver was the President, and the said Charles D. Fraser was the Secretary of the Oliver Mining Company, a corporation described in and which executed the foregoing instrument; that they were severally acquainted with the corporate seal of the said corporation; that the seal purporting to be the corporate seal of the OLIVER MINING COMPANY attached to said instrument was such seal and was thereto attached; and that they, the said President and Secretary, executed and subscribed the said instrument in behalf of said corporation, by authority of the stockholders and Board of Directors of said corporation, and they severally acknowledged that they executed the said instrument as the act and deed of the said corporation.

HENRY W. OLIVER,
C. D. FRASER.

Sworn and subscribed the
day and year first above
written.

ALBERT H. EAMES,
Notary Public.

(SEAL)

Witnesses:
SARA E. WEIR,
F. A. McKENRY.

STATE OF NEW YORK, }
City and County of New York, } ss.:

On this 15th day of January, 1897, before me, a Notary Public for the Counties of New York and Kings in said State of New York, personally appeared Fred T. Gates and Edward V. Cary, with whom I am personally acquainted, and they both being by me duly severally sworn deposed and said, that the said Fred T. Gates was the President and the said Edward V. Cary was the Assistant Secretary of the Duluth, Missabe & Northern Railway Company, a corporation described in and which executed the foregoing instrument; that they

were severally acquainted with the corporate seal of the said corporation; that the seal purporting to be the corporate seal of the Duluth, Missabe & Northern Railway Company attached to said instrument was such corporate seal and was thereto attached; and that they, the said President and Assistant Secretary, executed and subscribed the said instrument in behalf of said corporation, by authority of the Stockholders and Board of Directors of said corporation, and they severally acknowledged that they executed the said instrument as the act and deed of the said corporation.

LUCIUS A. WILSON,
Notary Public, Kings and
New York Counties.

(SEAL)

And the said Traffic-Contract dated January 1st, 1897, be, and the same hereby are, and each of them is, in all respects, approved, adopted, ratified and confirmed.

RESOLVED, That the executive officers of this Company be, and they hereby are, authorized, empowered and directed forthwith to deliver to said Duluth, Missabe & Northern Railway Co. the said Traffic-Contract, and to execute and deliver such other and further instruments and to do such acts as may be required, or deemed necessary to carry out the purposes of said Traffic-Contract, and of these resolutions:

These resolutions were unanimously adopted.

C. D. FRASER,
Secretary.

The following Minutes of the Stockholders of the Minnesota Iron Company (Record, p. 1995 to 1999), are offered in evidence by the Petitioner under the foregoing Stipulation, dated June 26, 1912 (Volume II, Government Exhibits, page 359), for all purposes for which said Minutes are competent and relevant:

Each and all of said Minutes are objected to by Counsel for said Defendants on the ground of incompetency, irrelevancy and immateriality.

ANNUAL STOCKHOLDERS MEETING,

JUNE 7TH, 1897.

The Annual Meeting of the Stockholders of the Minnesota Iron Company was held, pursuant to provision of the By-Laws and notice duly given, at the office of the Company in the City of Duluth, Minnesota, on Monday, the 7th day of June, 1897, at 11 o'clock a. m.

* * *

The Secretary read the call for meeting as follows:

NOTICE OF ANNUAL MEETING—MINNESOTA IRON COMPANY.

The annual meeting of the stockholders of the Minnesota Iron Company, for the election of directors and for the transaction of such other business as may be presented at said meeting, will be held at the office of said company, in the city of Duluth, Minnesota, on Monday, the 7th day of June, 1897, at 11 o'clock a. m.

* * *

We, the undersigned, duly appointed Judges of Election for the Annual Meeting of Stockholders of the Minnesota Iron Company, duly called and held this 7th day of June, 1897, do hereby report that the result of the Ballot for Directors is as follows: Total number of votes cast, 138,617 (one vote on each share of stock represented at the meeting in person or by written proxy), all of which have been cast for the following named persons:

Benjamin Brewster, to succeed himself for three year term.
R. P. Flower " " " " " " "
Jay C. Morse " " " " " " "
H. H. Porter " " " " " " "

Respectfully submitted,

J. H. CHANDLER,
A. H. VIELE,
F. H. WHITE,
Judges of Election.

* * *

ANNUAL STOCKHOLDERS MEETING.

JUNE 6TH, 1898.

The Annual Meeting of the Stockholders of the Minnesota Iron Company was held pursuant to provision of the By-Laws and notice duly given, at the office of the Company, in the city of Duluth, Minnesota, on Monday, the 6th day of June, 1898, at 11:00 o'clock a. m.

* * *

The Secretary then read the names of the Board of Directors as at present constituted, as follows:

Term expires in June, 1899: Marshall Field, H. M. Flagler, D. O. Mills and Henry Seibert.

Term expires in June, 1900: George L. Brewster, R. P. Flower, Jay C. Morse and H. H. Porter.

Term expires in June, 1901: D. H. Bacon, E. W. Winter, C. W. Hillard, J. L. Greatsinger and C. P. Coffin.

* * *

ANNUAL STOCKHOLDERS MEETING.

DULUTH, June 12th, 1899.

The Annual Meeting of the Stockholders of the Minnesota Iron Company was held, pursuant to provision of the By-Laws, and notice duly given, at the office of the Company, in the City of Duluth, Minnesota, on Monday, the 12th day of June, 1899, at 11 o'clock A. M.

* * *

The Secretary then read the names of the Board of Directors as at present constituted, as follows:

Term expires in June, 1900.
Geo. T. Brewster
A. R. Flower
M. J. Carpenter
H. H. Porter.
Term expires in June, 1901.
D. H. Bacon
E. W. Winter
C. W. Hillard
J. L. Greatsinger
C. P. Coffin
Term expires in June, 1902.
E. J. Buffington
H. M. Flagler
D. O. Mills
Henry Seibert.

* * *

ANNUAL STOCKHOLDERS MEETING.

Duluth,
June 11th, 1900.

The annual meeting of the Stockholders of the Minnesota Iron Company was held pursuant to provision of the By-laws and notice duly given, at the office of the Company, in the City of Duluth, Minnesota, on Monday, the 11th day of June, 1900, at 11:00 o'clock a. m.

* * *

The entire capital stock of the Company was represented at the meeting, either in person or by written proxy:

H. H. Porter D. H. Bacon Henry Seibert	} holding proxies for.	164,996 shares
J. L. Greatsinger holding		1 share
E. W. Winter "		1 "
E. J. Buffington "		1 "
E. H. Gary "		1 "
Total		165,000 shares."

* * *

The Secretary then read the names of the Board of Directors as at present constituted, as follows:

Term expires June, 1901:	
D. H. Bacon,	Duluth, Minn.
E. W. Winter,	Elsworth Bldg., Chicago.
C. W. Hillard,	" " "
J. L. Greatsinger,	Duluth, Minn.
C. P. Coffin,	Plymouth Bldg., Chicago.
Term expires June, 1902:	
E. J. Buffington,	Rookery Bldg., Chicago.
H. M. Flagler,	26 Broadway, New York.
D. O. Mills,	Mills Bldg., New York.
Henry Seibert,	Empire " " "
Term expires June, 1903:	
E. H. Gary,	" " " "
George T. Brewster,	26 Broadway, " "
A. R. Flower,	45 " " "
H. H. Porter,	Elsworth Bldg., Chicago.

* * *

Duluth,
June 7th, 1901.

ANNUAL STOCKHOLDERS' MEETING.

The annual meeting of the Stockholders of the Minnesota Iron Company was held pursuant to provision of the By-Laws and notice duly given, at the office of the Company, in the City of Duluth, Minnesota, on Friday, the 7th day of June, 1901, at 9 o'clock A. M.

* * *

There were present at the meeting

E. H. Gary, Trustee, holding.....	164,980 shares
E. H. Gary and C. P. Coffin, holding proxies for	17 shares
	164,997 shares

* * *

The teller received and counted the ballots cast and reported that the unanimous vote of the stock represented at the meeting, viz, 164,997 shares, had been cast for

Thomas F. Cole,
Nelson P. Hulst,
C. P. Coffin,
W. J. Olcott,
A. H. Wiele,
C. M. Schwab,
Percival Roberts, Jr.,
E. H. Gary,
E. C. Converse

WHEREUPON on motion duly made and seconded, it was by a stock vote unanimously

RESOLVED, that the report of the teller be accepted and that Messrs. Cole, Hulst, Coffin, Olcott, Wiele, Schwab, Roberts, Gary and Converse be, and they are hereby declared to be the Board of Directors of this Company for the ensuing year, or until their successors are chosen.

* * *

The following Minutes of the Executive Committee of the Minnesota Iron Company (Record, page 2000 to page 2006), are offered in evidence by the Petitioner under the foregoing stipulation, dated June 26, 1912, (Volume II Government Exhibits, page 359), for all purposes for which said Minutes are competent and relevant:

Each and all of said Minutes are objected to by Counsel for said Defendants on the ground of incompetency, irrelevancy and immateriality.

EXECUTIVE COMMITTEE MEETING.

MINNESOTA IRON CO.
N. Y. December 14th, /94.

A meeting of the Executive Committee of the Minnesota Iron Company was held pursuant to adjournment at the office of the Company, Mills Building, 15 Broad St. New York, on Friday, December 14th, 1894, at 12:30 P. M.

There were present
H. H. Porter, Chairman presiding.
D. H. Bacon
Benj. Brewster,
being a quorum of the committee.

* * *

Mr. Bishop presented a report of the conferences held by a Committee consisting of himself and Mr. Mather representing the minority stockholders of the Chandler Iron Company and Messrs. Bacon—Seibert, representing the Minnesota Iron Company, and upon motion made and duly seconded, it was,

Resolved, that said Report be received and placed on file and that the Committee be and are hereby authorized to continue the conferences as their judgment may dictate.

* * *

Report of the Committee referred to on preceding page.

It having been suggested that a conference should take place between Messrs. Seibert & Bacon, representing the Minnesota Iron Company, and Messrs. Mather and Bishop, representing the Chandler Iron Company minority stock-

holders for the purpose of enabling the Minnesota Iron Company to become possessor of the minority stock of the Chandler Iron Co., they hereby report that after some few conferences, they could not come to the same views as to the value of the ore mined and to be mined after April 30th, 1904.

They called upon Messrs. Sellwood and Pengilly for an estimate of the ore yet to be mined, which is as per accompanying report showing net in their estimation 5,000,000 tons.

The views of Messrs. Seibert and Bacon are that they are willing to recommend as the value of all property other than right of mining the ore that may exist to be $1,179,184. as cash and that they estimate the value of the ore yet to be taken at $220,816, say 4.4 cents per ton on the estimate of 5,000,000 tons.

They however make an exception to the estimate, not being willing to place these at above 4,000,000, which would equal about 5½ cents per ton.

Messrs. Mather and Bishop place the same cash value of $1,179,184 upon the property including value of the ore yet to be mined which they estimate at a valuation of $800,000 cash which is 16 cents per ton making a total value of the stock of the Company $1,979,184, which is $49.47 per share.

We all regret that we have not been able to make a mutual valuation and submit this report as the result of our labors.

Signed F. C. R. Bishop, Harry Seibert,
Sam'l Mather, D. H. Bacon,

Addendum:

Accepting the valuation of $800,000 for the ore in the mine as proposed by Messrs. Bishop & Mather and dividing it by the amount of ore in sight as per surveys, viz, 300,000 tons, equals a royalty of 26-2/3 cents per ton.

Accepting the valuation of $220,000 is equal to a royalty of 7⅓ cents on 3,000,000 tons.

We can say further that Messrs. Seibert and Bacon were satisfied to allow that there were 4,000,000 tons in the mine, being one million more than in sight, to this the other parties assented.

$220,000, added to the live assets, make a total of $1,400,000 for the property or $35 per share, at which price Messrs. Seibert and Bacon would recommend the purchase.

Signed HARRY SEIBERT,
D. H. BACON.

MINNESOTA IRON COMPANY,

MEETING OF EXECUTIVE COMMITTEE,

N. York, November 19, 1896.

The Executive Committee of the Minnesota Iron Company met pursuant to call duly made at the office of the company, Mills Building, New York, on Thursday, the 19th day of November, 1896, at 1.30 o'clock P. M.

There were present, D. H. BACON, President, in the chair,
H. H. PORTER,
R. P. FLOWER,

three in all, being a quorum of the Committee.

The minutes of the last meeting held in Chicago on June 23rd, 1896, were read and approved.

On motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED: that the officers of this company are hereby authorized and empowered to borrow for account of the company, one million, four hundred thousand dollars ($1,400,000), giving for same the company's notes, dated December 1st, 1896, payable Feb. 1st, 1898, with interest at six per cent (6%) per annum payable quarterly, and with the proceeds of said notes to pay the following indebtedness:

Loan of D. O. Mills	$300,000
" R. P. Flower	250,000
" H. H. Porter	250,000
" Henry Seibert	50,000
" Pickands, Mather & Co.	100,000

" Marshall Field	200,000
" Benjamin Brewster	250,000
	$1,400,000

* * *

MINNESOTA IRON COMPANY,
MEETING OF EXECUTIVE COMMITTEE,

Chicago, April 30, 1897.

The Executive Committee of the Minnesota Iron Company met pursuant to call, at the office of the company, Ellsworth Building, Chicago, Illinois, on the 30th day of April, 1897, at 12 o'clock m.

There were present

Messrs. D. H. BACON, President, in the chair.
H. H. PORTER,
MARSHALL FIELD,

three in all, being a quorum of the Committee.

* * *

The President presented to the meeting a certain Memorandum of Agreement between the Minnesota Iron Company and the Illinois Steel Company, dated the 22nd day of April, 1897; Whereupon, on motion duly made and seconded it was unanimously

RESOLVED, that the Memorandum of Agreement between this Company and the Illinois Steel Company dated April 22nd, 1897, be and the same is hereby ratified, approved and adopted and the same is hereby ordered to be spread in full upon the minutes of this meeting.

MEMORANDUM OF AN AGREEMENT, made and entered into this twenty-second day of April, A. D., 1897, by and between the Minnesota Iron Company, a corporation of the State of Minnesota, party of the first part, and the Illinois Steel Company, a corporation of the State of Illinois, party of the second part.

WITNESSETH: that whereas the said party of the first part has agreed to sell and deliver to said party of the second part, for a term of twenty (20) years except as hereinafter provided, iron ores mined and shipped by it from the Mesaba Iron Range in the State of Minnesota, upon such terms as shall make the price thereof on a parity with iron ores from said Mesaba Range mined and shipped by the Oliver Mining Company or the Carnegie Steel Company Limited, and

WHEREAS, the party of the second part has agreed to purchase all of the Mesaba range iron ores which it may want to use in its business from the said party of the first part,

NOW, THEREFORE, it is mutually agreed between the parties hereto as follows:

FIRST: The Minnesota Iron Company will sell and deliver or cause to be sold and delivered for a term of twenty years (20) years, except as hereinafter provided, to the said party of the second part, at its docks in South Chicago, Milwaukee, or North Chicago, such quantities of Mesaba range iron ores of the kind that the party of the first part shall be engaged in mining and shipping from said range, as the said party of the second part desires to purchase for consumption in its business: the prices of such ore in the first instance for the year 1897, shall be as follows:

For Faval ore, two dollars and fifteen cents ($2.15)	per	gross	ton
" Auburn ore	"	"	"
" Auburn ore (of the grade known as "Audrey")	"	"	"
" For Genoa ore, two dollars and fifteen cents ($2.15)	"	"	"
" Canton Ore	"	"	"
" Canton ore of the grade known as Climax	"	"	"
" Norman Ore	"	"	"
" Norman Ore of the grade known as Saxon	"	"	"

which prices shall, except as herein otherwise provided control and upon which settlements shall be made until the end of the year. The above prices are supposed to be fixed so as to be on a parity difference in quality and value considered, with the cost of the Mesaba range iron ores delivered at Lake Erie ports, mined and shipped by the said Oliver Mining Company, or the Carnegie Steel Company, Limited, above referred to, and in the final adjustment, the said party of the second part shall be obliged to pay no more and shall pay no

less than the cost of said Mesaba range ores so mined and shipped by the said Oliver Mining Company or said Carnegie Steel Company, Limited, as aforesaid. Provided, however, that any difference in value of the ores sold hereunder and the ores so mined and shipped by said Oliver Mining Company or said Carnegie Steel Company, Limited, shall in such adjustment, be added to or deducted from said cost, as the case may be. At the end of each year, if either party shall make a claim to the other party that the prices fixed are not such as to make said sales on a parity with ores mined and shipped from said range by said Oliver Mining Company or Carnegie Steel Company, Limited, during said years, thereupon the President, or other designated officer of said party of the first part, and the President or other designated officer of said party of the second part shall be and they are hereby constituted a Board of Arbitration to adjust said prices and to make them as near as possible, on a parity with the ores mined and shipped from said Range by the said Oliver Mining Company, or the Carnegie Steel Company, Limited, and in case the said arbitrators cannot agree, they shall immediately proceed to choose a third arbitrator to act as a member of said board of arbitration, and the decision of the majority of said board as to the adjustment of the prices for said ore for the year previous, so sold to said party of the second part, shall be final and conclusive upon the parties hereto.

* * *

Said party of the second part, in consideration of the premises, does hereby promise and agree to purchase on the terms aforesaid, all of the Mesaba range iron ores that it shall require for consumption in its business from the said party of the first part, for the period of (20) Twenty years above mentioned, except as hereinafter provided and will, on or before the fifteenth day of May in the year 1897, and on or before the first day of April in each year thereafter, notify the said party of the first part of the minimum quantity of each grade of said ores that it will require during any such year and will enter into contracts therefor as hereinafter provided.

It is hereby declared to be the intention of this agreement that the ore sold and delivered to the said party of the

second part hereunder, shall be furnished at such prices quality and value considered as will equal the entire cost to the Oliver Mining Company or the Carnegie Steel Company, Limited, of Mesaba range ores, mined and shipped by them from Mountain Iron, Lone Jack and Mesaba Mountain mines, at the place of their delivery at Lake Erie ports. This contract may be terminated at the end of any year, after the year one thousand eight hundred and ninety-nine (1899) by either party, by giving the other party one year's previous notice, but in no event shall it continue in force except by mutual consent after the termination of the lease or leases, contract or contracts in force between the Mountain Iron Company and the Oliver Mining Company, dated December first, 1896, relating to the Mountain Iron Mine.

Provided, however, that in case the party of the first part should be unable for any reason to furnish a sufficient quantity of suitable Mesaba ores for the mixture of the party of the second part, the party of the second part shall have the right to go out and purchase such additional quantity of suitable ores from any other individual, firm or corporation; and in alluding to the term "Mesaba ores" the party of the second part shall not be debarred from purchasing any other grades of ore which have been discovered or may be discovered during the life of this contract, on what is known as the Mesaba Range, provided the physical structure of said ores is not such as is commonly known as the present Mesaba Ores, and said first party is unable to furnish the same.

* * *

MINNESOTA IRON COMPANY,
by D. H. BACON, President, (Seal).

Signed, sealed and delivered in presence of

Attest: A. J. PATTERSON, Asst. Sec.

W. L. BROWN,
as to all
A. J. FORBES-LEITH
as to all
SAM'L MATHER
as to all.

ILLINOIS STEEL COMPANY,
by J. W. GATES, President, (Seal).
Attest: JAMES , Asst. Sect'y.

* * *

The following Minutes of the Board of Directors of the United States Steel Corporation (Record, page 2006a to page 2006e), are offered in evidence by the petitioner under the foregoing Stipulation, dated June 26, 1912 (Volume II, Government Exhibits, page 359), for all purposes for which said Minutes are competent and relevant:

Each and all of said Minutes are objected to by Counsel for said Defendants on the ground of incompetency, irrelevancy and immateriality.

UNITED STATES STEEL CORPORATION.

DIRECTORS' SEVENTH MEETING.

April 6, 1901.

Minutes of a meeting of the Board of Directors held, pursuant to notice, at the office of the Corporation, in the City of New York, on the 6th day of April, 1901, at 10:30 o'clock in the forenoon.

Present—William J. Curtis, President:
Charles C. Cluff, and
Charles MacVeagh,

being all the Directors of the Company.

The minutes of the last meeting of the Board of Directors held April 3rd, 1901, were read and approved.

Upon motion, duly seconded, and by the affirmative vote of all present, the following resolution was adopted:

RESOLVED, That Messrs. J. P. Morgan & Co., of New York City, be, and hereby they are, appointed fiscal agents of United States Steel Corporation.

Upon motion, and by the affirmative vote of all present, it was

RESOLVED, That the Board of Directors proceed to the election of a General Counsel of the Corporation.

Mr. Francis Lynde Stetson was nominated for General Counsel and, no other nominations being made, a ballot was taken, and Mr. Francis Lynde Stetson was unanimously elected General Counsel of United States Steel Corporation.

Upon motion, and by the affirmative vote of all present, it was

RESOLVED, That the Board proceed to the election of an Auditor of the Corporation.

Mr. Edward Shearson was nominated for Auditor, and, no other nominations being made, a ballot was taken, and Mr. Edward Shearson was unanimously elected Auditor of the Company.

The Secretary reported that, pursuant to the request of Messrs. William J. Curtis, Charles C. Cluff and Charles MacVeagh, out of the shares of stock held by the said gentlemen in United States Steel Corporation, there have been transferred shares of stock of this Corporation to the following named gentlemen to the amounts set opposite their names, respectively, viz.:

To	J. Pierpont Morgan,	1	share	Preferred Stock.
	John D. Rockefeller,	1	"	" "
	Francis H. Peabody,	1	"	" "
	Henry H. Rogers,	1	"	" "
	Charles M. Schwab,	1	"	" "
	Elbert H. Gary,	1	"	" "
	Robert Bacon,	1	"	" "
	Charles Steele,	1	"	" "
	Marshall Field,	1	"	" "
	Norman B. Ream,	1	"	" "
	P. A. B. Widener,	1	"	" "
	William H. Moore,	1	"	" "
To	James H. Reed,	1	share	Common Stock.
	Henry C. Frick,	1	"	" "
	Daniel G. Reid,	1	"	" "
	E. C. Converse,	1	"	" "
	Percival Roberts,	1	"	" "
	John D. Rockefeller, Jr.,	1	"	" "
	Alfred Clifford,	1	"	" "
	William E. Dodge,	1	"	" "
	Nathaniel Thayer,	1	"	" "
	William Edenborn,	1	"	" "
	Abram S. Hewitt,	1	"	" "
	Clement A. Griscom,	1	"	" "

Mr. William J. Curtis then presented his resignation as President and as Director of the Company to take effect upon the election of his successor.

Upon motion, duly seconded, it was,

RESOLVED, That the resignation of Mr. Curtis as Director be accepted and that the Board of Directors proceed to fill the vacancy caused by the resignation of Mr. Curtis as Director of this Company.

A ballot having been taken, Mr. Charles M. Schwab, was duly elected Director of this Company, to fill the vacancy caused by the resignation of Mr. William J. Curtis and to hold office for the unexpired portion of the term of three years.

Thereupon, Mr. Curtis withdrew from the meeting and Mr. Charles M. Schwab appeared and took his seat as a member of the Board of Directors.

On motion, Mr. Cluff was appointed Chairman *pro tem.*

Upon motion, duly seconded, and by the affirmative vote of all present, it was,

RESOLVED, That the resignation of Mr. Curtis as President of this Company be accepted, and that the Board proceed to the election of a President to fill the vacancy caused by the resignation of Mr. William J. Curtis.

Mr. Charles M. Schwab was nominated for President and there being no other nominations, a ballot was taken, and Mr. Charles M. Schwab was duly elected President of United States Steel Corporation, to fill the vacancy caused by the resignation of Mr. William J. Curtis.

Mr. Schwab thereupon took the Chair.

* * *

WHEREAS, It was provided in Article Two of the by-laws of the Corporation, as originally adopted, as follows, namely:

"The number of the first board of directors shall be three, but the number of directors may be altered from time to time, and so soon as deemed advisable by the first Board

of Directors shall be increased to twenty-four, by the alteration of these by-laws.

"In case of any such increase, the additional directors shall be elected by the directors then in office; one-third of such additional directors for the unexpired portion of the term of one year, one-third for the unexpired portion of the term of two years, and one-third for the unexpired portion of the term of three years, so that each class of directors shall be increased equally."

And whereas, At a meeting of the Board of Directors duly held on April 2nd, 1901, by an affirmative vote of all the Directors of the Company, the by-laws were amended as follows; to wit, by striking out the following words:

"The number of the first Board of Directors shall be three, but the number of Directors may be altered from time to time, and so soon as deemed advisable by the first Board of Directors, shall be increased to twenty-four by the alteration of these by-laws,"

And by inserting in place thereof the following:

"The number of the Board of Directors shall be twenty-four, but the number of Directors may be altered from time to time by the alteration of these by-laws."

Resolved, That the Board of Directors, as at present composed, under the power given to them by the provisions of the amended Certificate of Incorporation and by the By-Laws, do now proceed to the election of twenty-one additional Directors; one-third thereof—to wit, seven directors—for the unexpired portion of the term of one year; one-third thereof—to wit, seven directors—for the unexpired portion of the term of two years, and one-third thereof—to wit, seven directors—for the unexpired portion of the term of three years.

A ballot having been taken, the following persons, all of whom are stockholders of the Company, were duly elected Directors of the Company for the terms hereinafter specified, namely:

First Class,—to hold office for the unexpired portion of the term of the directors of the first class (being one year): Marshall Field, Daniel G. Reid, John D. Rockefeller,

Jr., Alfred Clifford, William E. Dodge, Nathaniel Thayer, and Clement A. Griscom.

Second Class,—to hold office for the unexpired portion of the term of the directors of the second class (being two years); Francis H. Peabody, William H. Moore, Norman B. Ream, P. A. B. Widener, James H. Reed, Henry C. Frick and William Edenborn;

Third Class,—to hold office for the unexpired portion of the term of the directors of the third class (being three years): J. Pierpont Morgan, John D. Rockefeller, Henry H. Rogers, Elbert H. Gary, Robert Bacon, E. C. Converse, Percival Roberts.

Mr. MacVeagh then submitted revised by-laws for the Corporation and gave notice that they would be presented for adoption at the next meeting of the Board of Directors.

Upon motion, and by the affirmative vote of all present, it was

RESOLVED, that a meeting of the Board of Directors be, and hereby is, called to meet at the office of the Company, in the City of New York, on Tuesday, April 9th, 1901, at two o'clock in the afternoon, and that at such meeting revised by-laws be presented for adoption.

Upon motion, the meeting adjourned.

CHARLES MACVEAGH,
Secretary.